Deconstructing Prop.5: Where the Money Went

california JOURNAL

OCTOBER 1999
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Is gambling in her future?

Casino tribes look beyond political gamesmanship

Mr. Mayor goes to Sacramento: Local government's pipeline to the Capitol

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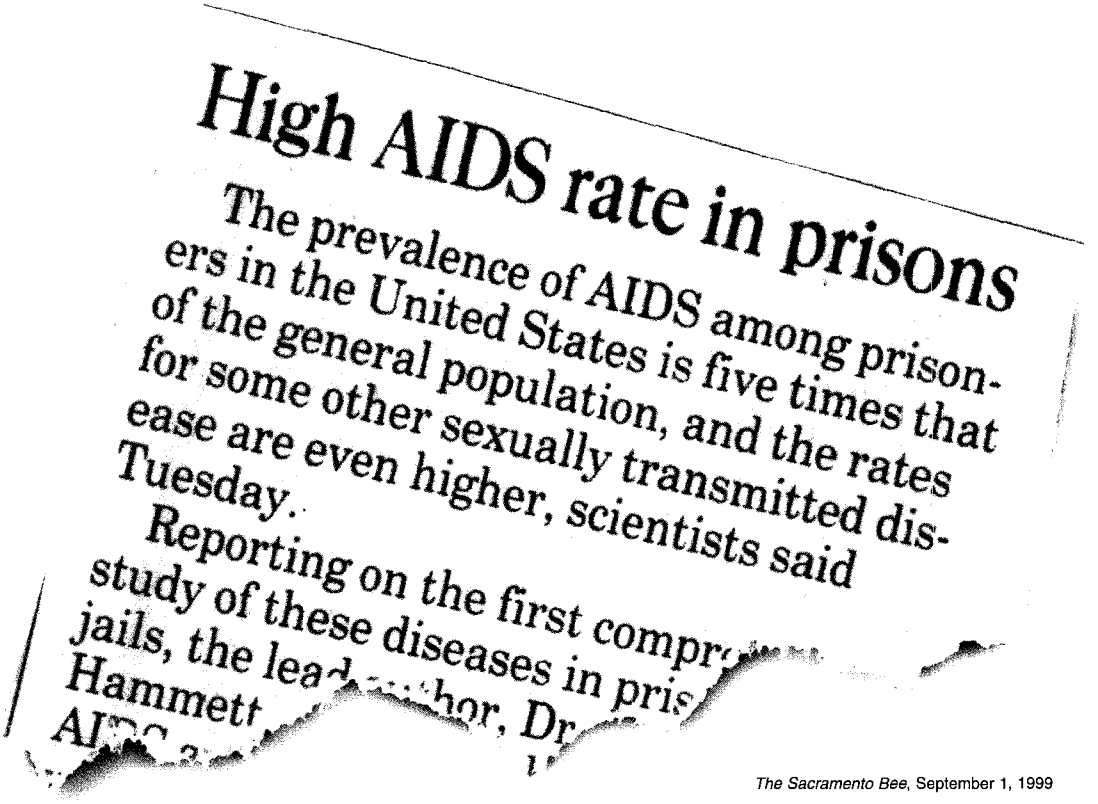

High AIDS rate in prisons

The prevalence of AIDS among prisoners in the United States is five times that of the general population, and the rates for some other sexually transmitted disease are even higher, scientists said Tuesday.

Reporting on the first compr[illegible] study of these diseases in pris[illegible] jails, the lead [illegible]thor, Dr. Hammett [illegible] AI[illegible]

The Sacramento Bee, September 1, 1999

For Us, A Bad Day at Work Can Be A Real Killer

California prisons have become breeding grounds for violence and disease.

AIDS is on the rise. So are deadly diseases like tuberculosis and hepatitis — terrible new risks for correctional officers and their families. They're exposed every time they break up a bloody fight — an almost daily occurence. And officers are exposed with each new "gassing" — a growing assault where inmates throw urine, blood or feces in an officer's face.

Officers who are stabbed are also exposed, especially if the attacker smears feces on his blade before the assault — a favorite trick among inmates.

On average, five officers are assaulted every day in California prisons. As assaults increase, so does the risk of disease on "the toughest beat in the state."

To learn more about the dangers we face, call Sharon Levesque at 916-372-6060 and ask for a free copy of our Emmy Award-winning video "Behind the Wall," an unvarnished look at life inside California prisons.

California Correctional Peace Officers Association

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california JOURNAL

October 1999
Volume XXX, Number 10

Upfront

Talking Points

State of the State

Soap Box

The Bottom Line

Rostrum

Washington Perspective

A bumper crop

With the madcap 1999 legislative year behind us, the harvest moon is now upon us. One or the other is enough to explain the seasonal surge of adrenaline evident in the recent flurry of letters to the editor falling like autumn leaves onto our laptops.

That we welcome correspondence good or sad, glad or mad, in any season should come as no surprise to readers with deep, abiding interest in the political and public policy issues we cover. Not everyone shares these interests. Like you, we are pleased to hear from people who do.

Cynthia H. Craft

Many of you wrote in response to columns from our contributing editors, whether resident conservative Lance T. Izumi, or eye on Washington, Dana Wilkie. This prompted us to pad our pages with a phrase clarifying that theirs are not necessarily the views of the magazine's.

Other letter-writers weighed in on water policy, health care, labor unions and more. We even heard from a former state senator.

So worry not if the fall weather — or the final antics of the Legislature — has you all fired-up and opinionated. Just keep those e-mails and letters coming.

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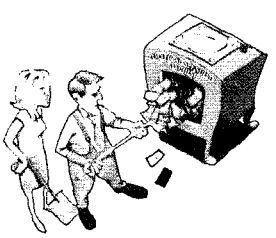

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With no credible challenger ready and willing to step forward, it appears no one will stop the Feinstein train as it charges down the track to a nearly inevitable second term.
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Pomo tribe girl and Cache Creek sign by Tom Meyers

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umbrage

High-stakes lowball. Cooking up makeshift deals in the last hours of session is a long and dishonorable tradition in the state Legislature. But even by the formidable standards of past legislative eras, 1999 has been striking in the number of "arrangements" ginned up and slammed through in the last week of this session. Last-day wonders included a bill that started out as legislation concerning diamond lanes, but wound up being a $30 million pork bill. A bill incorporating negotiated agreements on the reinstitution of third-party lawsuits was, in the words of one GOP legislator, "pasted together like a ransom note." While loudly protesting its outrage, the GOP also participated in the nocturnal noodling – that late-night Appropriations session also included a gutted Senate measure that shifted trial court funding to some GOP-represented rural counties. But beyond doubt, the nastiest bit of "midnight madness" was what came to be known as "the Box Store Bill" – legislation that effectively bans construction of new WalMarts and Costcos in California. Two weeks before the end of the session, it didn't exist, except perhaps in the minds of organized labor, retail supermarket executives and Assemblyman Dick Floyd (D-Wilmington). The bill's first and only policy hearing in the Assembly took place at 9 p.m. the day before session's end. By midnight, it had been sent to the governor's desk. How'd it happen? Well, you'd be amazed what can be done by a coalition of Democratic political supporters, among them organized labor, that doesn't like the fact that the discount store workers aren't unionized, and the supermarkets, who don't like giving up sales to warehouse operations.

Take a chill pill. There are so few Republicans in San Francisco anymore that the GOP pretty much ignores just about anything coming out of the "The City" these days. But at least one Central Valley Reep has his knickers in a knot over something written in the *San Francisco Chronicle*. Seems reporter Carl Nolte wrote a piece spotlighting the increasing urban sprawl and persistent problems of local government corruption in Fresno. Assemblyman Mike Briggs (R-Fresno) didn't like that one bit. So he wrote a letter to the editor describing the article as a "hit piece." In a news release, Briggs talked about all the advantages Fresno has over San Francisco, like less traffic, lower home prices, etc. "It takes 20 minutes to drive 200 yards in downtown San Francisco," said Briggs. Well put a nipple on that man's beer. The regrettable fact of the matter is that Fresno is, increasingly, falling victim to the same urban sprawl that now grips the Bay Area. Farmland is disappearing like rainforests. And it is hardly an unfair slap to suggest that the corruption probes swirling around Fresno City Hall are, well, troublesome. Briggs does constituents a disservice when he passes up a serious discussion of his hometown's problems in favor of a little pandering to local chauvinism.

Correction: In a profile of California Association of Health Plans President Walter Zelman in the September *California Journal,* it was reported that Zelman and his organization opposed legislation to mandate new HMO coverage for mental illness and contraceptives. This was incorrect. Zelman and CAHP do not oppose coverage for contraceptives, and although they opposed coverage for mental illness as originally proposed in legislation, Zelman says they would accept more modest versions of the bill.

"There is no gambling like politics."
— Benjamin Disraeli

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April 1-4, 2000

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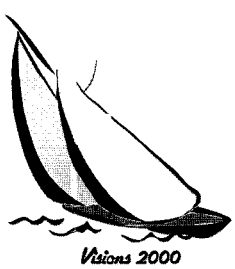

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Web Rover:

A fresh take

You say you've grown weary of pack journalism? Of reading virtually the same news story over and again in California's march-in-lockstep, mainstream press? Well, here's a refreshing alternative: a website billing itself as New California Media Online.

New California Media ONLINE
YOUR GATEWAY TO A MULTI-LINGUAL WORLD

At *www.ncmonline,* you will find the voices of the Golden State's ethnic media, ranging from stories translated from the California editions of the Chinese language press to articles appearing in Japanese, Korean, Vietnamese, Spanish and Arabic publications. The nonprofit website and the coalition underpinning it are products of the imagination of Sandy Close, executive editor of the Pacific News Service and winner of a MacArthur Foundation "genius" grant in 1995.

Close contends that, in this global economy and time of constant change and soul-searching, Californians need to hear the ethnic cultures growing politically and demographically in their midst. The outside perspective is often the most clarifying, as was the case when Chul Lee of the *Korea Times of San Francisco* wrote after Columbine that, in the U.S., "There is an ill culture... Before parents are able to teach 'love,' TV and video are already teaching our children 'death.'"

– Cynthia H. Craft

Media Watch:

Gotcha!

State Senator Wesley Chesbro must have felt like he got caught doing something wrong when the *Sacramento Bee* and the *Los Angeles Times* exposed one of his bills as a sweetheart deal tailored for the one and only Francis Ford Coppola, filmmaker and winemaker. The *Times* story started out with this: "It named no names, but the bill making its way through the California Legislature could not have been more specific. In fact, that turned out to be the problem." Chesbro, a Democrat from Arcata, had whipped up a bill that, upon conception, seemed to allow California winemakers an exception to laws that limit to two the number of restaurants in which they can peddle their products. Later, Chesbro, who represents a large swath of Northern California wine country, amended it to allow a winemaker to operate as many as eight such outlets. Chesbro's Senate Bill 607 specified that, to qualify, a winery must have "at least three buildings constructed in the 19th century, ...and operate [on] premises on which wine has been produced...during at least 95 years of the 20th century on a portion of the original Rancho Caymus land grant." That pretty much narrowed it down to one beneficiary – the one who just happened to have bestowed upon the legislator a $360 case of his wine as a campaign contribution, Francis Ford Coppola. When the cozy deal became public, Chesbro shrunk back, stripping his bill of its exclusive serenade of the Niebaum-Coppola winery and then, later, completely pulling the measure from consideration. Sort of calls to mind the kind of reflexive behavior you'd see in someone caught hand-in-cookie-jar.

– Cynthia H. Craft

Quotables.....

"There is no public mandate to do all of this stuff. Yes, you can go out and find a constituency that wants hangnails to be covered. You can always find a constituency that wants more than what they have."

— Garry South, Governor Gray Davis' chief political adviser on the many health care reform proposals under consideration in the California Legislature.

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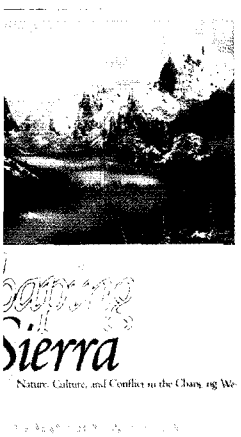
Excerpts:

Loving California to Death

"Shaping the Sierra:
Nature, Culture and Conflict in the Changing West"
By Timothy P. Duane
University of California Press, 1999

We learn in this hefty, 595-page volume that author and environmental planner Timothy Duane grew up hiking and exploring the "Range of Light," roaming raptly over hundreds of miles through John Muir's prized Sierra Nevadas. Such a pretty picture he paints – of him and his dog Dusty covering the Little Deer Creek watershed, of spending countless minutes observing newts in the wild, of ties to this land that reach down to the very fibers of his being. That a student of the land loves it, even in full-flower as an assistant professor at the University of California, Berkeley, comes as less of a news bulletin than Duane's subsequent reality check: The not-so-pretty picture of what's in store for the Sierras should today's pattern of population growth continue *sans* planning that balances environmental concerns against economic ones. Sustainable development is the goal, even as the state Department of Finance projects that the Sierra region population will triple by 2040.



Being an academic, the author fleshes out various scenarios with a plethora of tables, graphs, bar charts, maps and economic models. But in the end, the planner argues for heart. "We can no longer presume to conquer the western landscape, extracting Nature's riches before moving on to another place; instead we must choose to reinhabit the landscape as if we and our descendants will stay." Duane calls this a "land ethic," springing from the Native American criterion of considering the seventh generation hence when making land-use decisions. "It will give us a benchmark to evaluate the consequences of land and resource management policies in the Sierra Nevada and throughout the ex-urban West: How will these policies affect the economic, ecological, and social conditions and their sustainability for the seventh generation from now?" How, indeed?

– Cynthia H. Craft

By the numbers

The public on gun control

64%: Statewide feel tighter controls on gun ownership are more important than protecting the right to own guns.

30%: Statewide feel it is more important to protect Americans' rights to own guns.

79%: Of Democrats favor tighter controls on gun ownership.

16%: Of Democrats favor more protections of the right to own guns.

45%: Of Republicans favor tighter controls on gun ownership.

49%: Of Republicans favor more protections of the right to own guns.

42%: Of Republicans feel stronger laws to restrict the sale and possession of guns are not at all effective in reducing violent crime.

10%: Of Democrats feel stronger laws to restrict the sale and possession of guns are not at all effective in reducing violent crime.

Source: Field Poll telephone survey of 514 Californians, August 16-22, 1999

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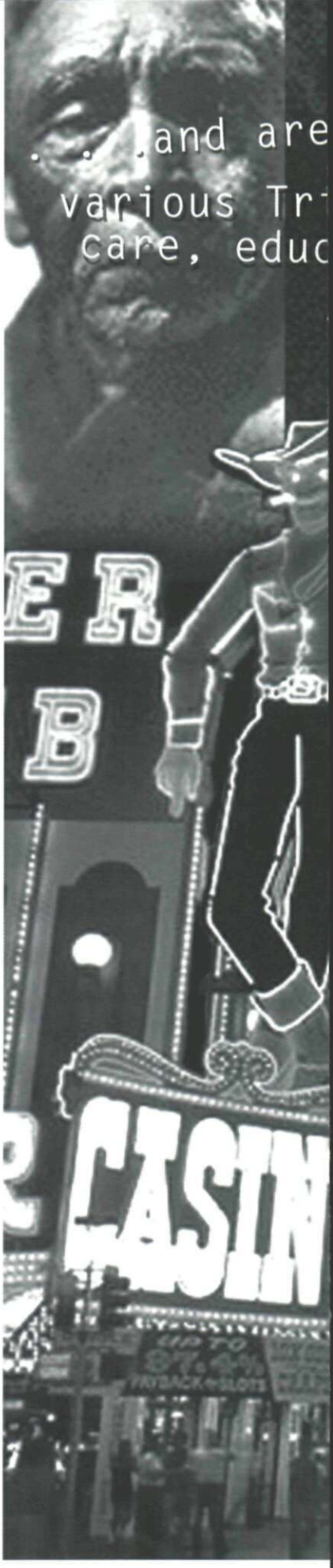
Tribes come of age

Loaded with cash and political savvy, casino tribes acquire the clout they've coveted to continue their path toward prosperity

By Ioana Patringenaru



The long, winding road making its way through the barren hills between the city of Riverside and the Arizona border is officially called State Route 10. But it could rightfully be called "Casino Row."

Ten years ago, all that travelers could feast their eyes on were some saguaro cactus bushes and tumbleweeds. Today the landscape is punctuated by the bright lights of casinos owned by the four Indian tribes whose reservations are located in this desolate wilderness on the far reaches of the Inland Empire. For the Agua Caliente, Cabazon, Morongo and San Manuel tribes — as for most of the 41 California tribes running their own casinos — gaming has dramatically altered more than just the desert landscape.

Through their gaming riches, tribes are providing for their members what no federal program ever could. The millions they earn from slot machines have paved roads, lit street-lights, improved health care and lifted many out of dead-end poverty.

But gaming has changed the political landscape as well.

After sitting for decades on the political sidelines, California tribes have come of age. Many are now adept at wheeling and dealing with politicians and political consultants, and contribute regularly — and generously — to federal, statewide and legislative candidates. As campaign givers, they have far surpassed the state's traditional special interest heavy hitters — doctors, teachers and trial lawyers.

Tribes have come to understand that playing politics, rather than fighting futile court battles, is the key to obtaining what they want — running their lucrative gaming casinos on their own terms and, in the bigger picture, achieving recognition as sovereign nations.

"Politics is a non-stop process. Indians are more and more used to the way the system works," said Richard Temple, a GOP political consultant

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imited to using their gaming venues for
l purposes. . . .reservation housing, elderly
ion, economic development, health care . . .

The people of California find that casinos in New Jersey
of the type currently operating in Nevada and New
are materially different from the tribal gaming authorized

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who works with several tribes.

Powwow turns political

How deeply politics permeated the California Indian culture was apparent last year when the Cabazon Band of Mission Indians held its traditional powwow on the tribe's reservation in Indio, a 30-minute drive from Palm Springs. The celebration typically draws dozens of Native Americans from all over the country who gather to perform traditional songs and dances. Vendors sell a variety of tribal items, from dream catchers and wool ponchos, to Indian fry bread and tapes of Indian chants.

But the powwow became something of a political summit when, for the first time ever, the state's top three statewide officials came to pay their respects. The appearances of newly elected Governor Gray Davis, Lieutenant Governor Cruz Bustmante and Attorney General Bill Lockyer turned the powwow into a small, post-election celebration, attracting tribal leaders from all over the state.

Their presence signaled the profound change that has taken place among tribes politically.

This year, when the Cabazons' gathering occurred on the same weekend as the state Democratic Party's annual convention, most tribal leaders chose to attend the political pow-wow in Sacramento rather than the traditional one back home.

The rite of passage that turned many tribal leaders into full-fledged players in California's political game was the 1998 campaign for Proposition 5, a November ballot initiative sponsored by a handful of wealthy casino tribes to expand the video slot machines that have brought them unprecedented wealth. Tribes poured more than $70 million into an aggressive TV, radio and mail campaign that succeeded in winning 63 percent of the vote.

Although in late August the state Supreme Court struck down Proposition 5, saying it violated the state's constitutional ban on Nevada-style gambling, the tribes' political clout was by then well established. Even before the court's ruling, tribes had launched another multi-million-dollar campaign, hiring consultants, pollsters and signature-gatherers to bring a new version of Proposition 5 before voters, this time as a constitutional amendment.

Fueling the fire

The financial jackpot that underwrites these efforts comes from gambling, which has exploded across the country in recent years. According to the National Gambling Impact Study Commission, Americans spent an estimated $51 billion in 1997 on all types of gambling at state lotteries, on river boats, at racetracks, in Las Vegas and Atlantic City casinos, and on tribal reservations. Of that total, an estimated $6.7 billion in revenue went to Indian tribes running legalized gambling in 31 states.

In California, the 41 tribes that operate casinos earned an estimated $1.4 billion on some 15,000 video slot machines in 1997.

Those revenues have been the fuel that has fed the fires of their campaign giving, elevating them to the stature of

Slot machine players at Jackson Rancheria

significant players in California politics. No one is happier about this change than Andrew Masiel, a tribal council member of the Pechanga Band of Luiseno Indians in Temecula, who chairs the Democratic Party's Native American Caucus. The caucus, which first convened at the party's state convention last spring, has 200 members, including legislators, tribal members and party officials. According to caucus founder Raven Lopez-Workman, the caucus wants to educate Indians about politics while educating the party about Indian concerns. "It's all about coalition-building," she said.

In the public's mind, it may seem that all that matters to Indians is gaming. But their interests are as varied as their geography. Some are more concerned about their non-casino business interests, while others are focused on their water rights. But, as former Democratic Assemblyman Phil Isenberg says, "gambling is the tribes' one rallying cry."

It is one measure of the tribes' growing understanding of California politics that they have turned to Isenberg, an expert on water policy who is respected on both sides of the political aisle — and who has clout with the governor, having served as Davis' transition advisor early in his administration. Isenberg is a policy consultant to the Alliance of California Tribes, which works on non-gaming tribal issues, such as securing a share of future statewide water bonds.

In the nearly 10 years since they began raking in huge

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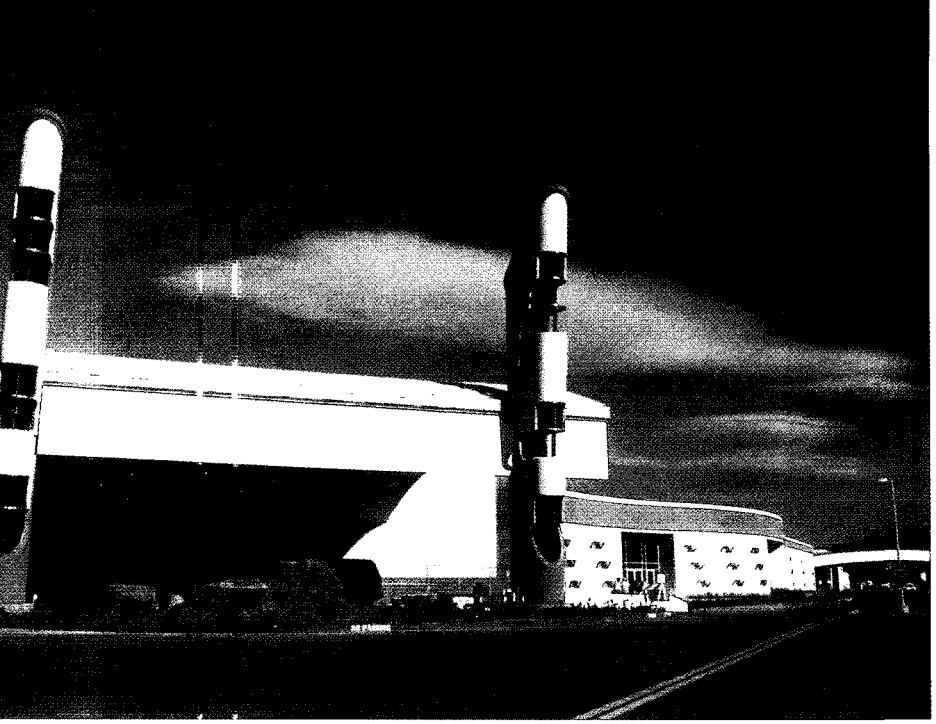

Rumsey Casino, photo by Tom Meyers Photography

amounts from their lucrative gaming operations, California's largest and most prosperous casino tribes have contributed about equally to the Democratic and Republican parties, with a tendency to lean Republican in contested races, according to state campaign finance reports. Of the top ten donors to state legislative campaigns during the 1997-98 election year, three were California tribes — Agua Caliente, Morongo and the San Manuel Band of Mission Indians, who contributed a combined $36 million, according to Common Cause, a political watchdog group.

Proposition 5's legacy

Although Proposition 5 galvanized most of California's gaming tribes and brought them together with a common purpose, each has its own idea of how much political involvement it needs or wants.

The Pechanga Band of Luiseno Indians in Temecula, for example, intend to be full-fledged players in California politics, under the influence of tribal council member and political activist Masiel. The tribe opened a casino only two years ago and relies mostly on gaming revenues to provide for its 1,200 members.

Under Masiel's influence, the Pechanga tribe wants to weigh in on legislative races and would like to have the governor's ear on broader topics, such as welfare and education. The tribe is particularly concerned about those issues because Native Americans have some of the highest poverty and school dropout rates in the nation.

Masiel is well-versed in politics. His grandmother was a tribal chairwoman and an important early influence. He studied political science at the University of California, Davis, worked as an adviser for small businesses and landed a spot as minority adviser on the state's Public Utilities Commission under Governor George Deukmejian. He eventually become treasurer of the California Nations Indian Gaming Association, which allowed him to channel an increasing flow of Indian gaming campaign contributions to state and federal races.

The gaming association was founded by the tribes in the late 1980s and has its own political action committee. It was the main channel through which tribes funneled their political contributions — until Proposition 5 when many tribes began giving to candidates on their own.

Although Masiel is no longer treasurer, he still is involved in doling out campaign contributions. Last year, the tribe joined with Don Novey, president of the California Correctional Peace Officers Association, to form a political

CJ Background Briefing: Proposition 5's legal woes in a nutshell

When the state Supreme Court threw out Proposition 5 in late August, it did so because the state constitution forbids the Nevada-style type of casino gambling authorized by the proposition. It was that simple. Proposition 5 proposed and — upon voter approval -- created a new statute, or law. But state law is trumped by the state constitution – and in the event of a successful court challenge, the California Constitution always wins.

Now if you can't *beat* the constitution, so to speak, you can always *join* it. Proposition 5's backers knew they had enough public support last year – that is, signed petitions – to meet the higher signature threshold needed to upgrade their measure to propose amending the constitution. So why didn't the tribes just put their money on the jackpot of a constitutional amendment? One prosperous casino tribe is doing so now — and has readied a version of Proposition 5 for the March 2000 ballot in the form of a proposed constitutional amendment.

• • •

If you think that wraps up the issue in a nice, neat little package, take a closer look. Other legal pitfalls lie in wait for Proposition 5 backers, ready to trip them up again.

A number of legal experts, including California Attorney General Bill Lockyer, believe both versions of Proposition 5 – the original and the turbo-engined constitutional amendment – may violate federal law. The law in question requires tribes to negotiate with the governor what type and size of casino they may operate. There also is a concern that the proposition might violate the governor's constitutional authority and that it constitutes a special-interest contract, not a law.

— California Journal editors

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action committee that includes several other tribes. The Native American Correctional Peace Officers PAC contributed about $500,000 to Gray Davis' campaign for governor, mostly paying for phone banks and polling services. Pechanga counted on Novey to direct its funds to races where it could help elect sympathetic legislators. The tribe also hired the services of CCPOA's lobbyist, Paula Treat.

Political players

"We're moving California tribes to full political empowerment," Masiel said. "Fairness, equality, that's all we ever asked." Pechanga had a keen interest in the campaign for Proposition 5, to which it funneled more than $9.7 million, according to state campaign finance records. Not all of California's major gaming tribes share Pechanga's deep interest in state politics and policy.

By contrast, the Cabazon Band of Mission Indians largely wants to be left alone to run its casino and various other business enterprises, which include an electric power plant and a recently opened bowling alley.

The tribe, located in the desert community of Indio, prides itself on operating as a self-sufficient government. In addition to an elected tribal council, Cabazon has its own tribal court, a planning and development department, a tribal services department for health care and education, as well as what its CEO, Mark Nichols, describes as a "fairly sophisticated political shop." Unlike many other tribes, they don't employ any outside lobbyists and political consultants, but have their own on staff.

The tribe chose not to participate extensively in the battle for Proposition 5, contributing a relatively modest $460,000. But since 1995, Cabazon has poured about $700,000 into political races.

Rather than covering its bets by contributing to candidates from both parties, as professional consultants advise, the tribe has given mostly to Democratic candidates in state Assembly and Senate races. About $190,000 went to Gray Davis' 1998 gubernatorial bid.

However, at the federal level, it contributed more evenly to both Democratic and Republican candidates. Cabazon gave $125,000 in soft money to the Democratic National Committee for the 1997-98 election cycle and $107,000 to the National Republican Party in 1997-96, according to the Center for Responsive Politics, a Washington, D.C.-based political watchdog group.

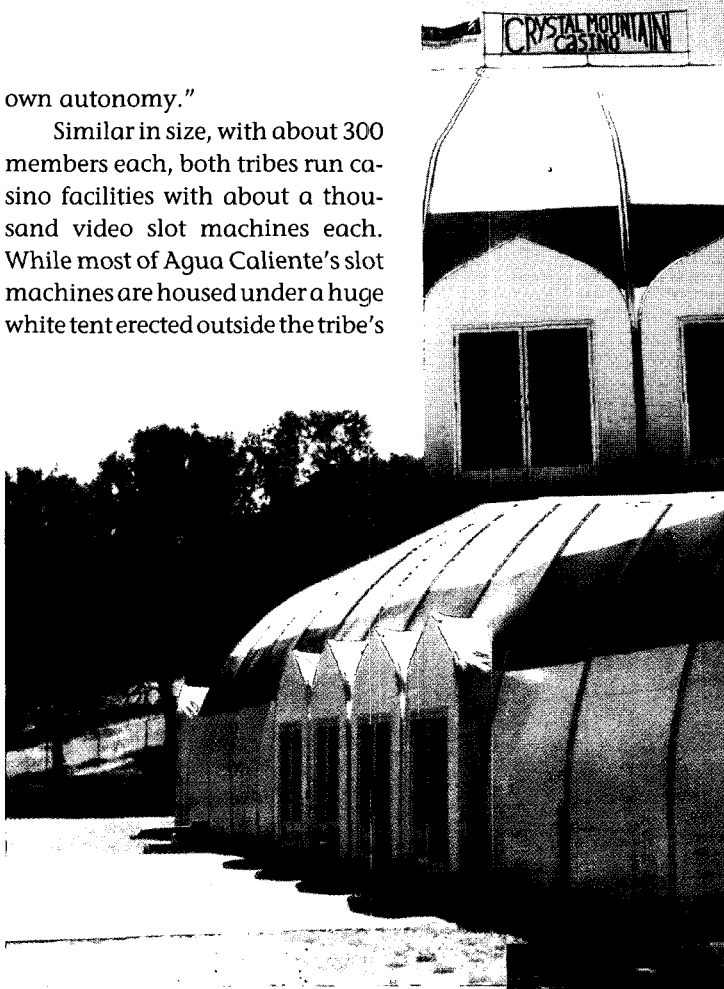
"We don't give people money to change their minds," said Nichols. "We give money to support them because they support our principles."

More than just gaming

While gaming has given these tribes the cash to pursue political influence, it also has given them more freedom to pursue economic independence.

The Agua Caliente Band of Cahuilla Indians and the Viejas Band of Kumeyaay Indians are good examples. "For us sovereignty is not the fact that we're our own government," said Anthony Pico, Viejas tribal chairman. "We're not about that. We're about continuing to live (under) our own autonomy."

Similar in size, with about 300 members each, both tribes run casino facilities with about a thousand video slot machines each. While most of Agua Caliente's slot machines are housed under a huge white tent erected outside the tribe's hotel and spa resort in Palm Springs, the Viejas have erected a permanent, concrete building packed with card tables and slot machines.



Crystal Mountain Casino in Shingle Springs

Mark Nichols, Cabazon Band of Mission Indian

One of California's first tribes to open a casino in 1992,the Viejas have since acquired an RV park, purchased the Borrego Springs National Bank for an estimated $5 million in 1996, shelled out $30 million to build a 40-store factory outlet mall and earlier this year bought a commercial TV station in San Diego. More recently, it announced plans to retrofit a $14 million cruise ship that will offer gambling cruises between San Diego and Mexico.

Agua Caliente opened its casino only four years ago, but its location in the heart of Palm Springs has allowed the tribe to prosper quickly. Tribe members had been profitably leasing a portion of their land to owners of a hotel spa complex, but in 1992 purchased the buildings for themselves, added a tented casino and invested $1.5 million in renovations. Earlier this year, the tribe acquired a golf course on the outskirts of Palm Springs. Like other casino tribes, they recognize that it pays to contribute politically.

And while Agua Caliente's chairman is a registered Republican and the Viejas leadership clearly leans Democratic, both tribes employ Republican political consultants. According to campaign spending reports, Agua Caliente contributed more to Republican candidates last

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Lining up at Jackson Rancheria

hony Pico, Tribal Chairman,
as Band of Kumeyaay Indians

year, while Viejas divided its campaign contributions evenly between Democrats and Republicans.

Doling out the dollars

Agua Caliente gave about $1.6 million to candidates and elected lawmakers this last election cycle, a vast majority of it to Republican candidates for state Senate and Assembly, according to state and federal campaign finance reports. The tribe gave $15,000 in soft money in the last election cycle to the National Republican Party.

Since 1994, Viejas has contributed about $600,000 directly to legislative and statewide candidates. Initially, the tribe gave overwhelmingly to Democratic candidates, under the supervision of veteran Democratic consultant Richie Ross. But its contribution pattern changed in 1996, a year after it decided it needed some Republican perspective and brought GOP political consultant Temple on board.

Over the same period, Viejas also gave about $200,000 to the California Indian Nations PAC. The committee redirected Viejas contributions, as well as those of many other tribes, to legislative races on both sides of the aisle, but with an emphasis on races in districts where Indian casinos are located, reports show.

To protect their casino interests, both tribes contributed to Proposition 5. Viejas gave $11 million while Agua Caliente tribal leaders contributed a more modest $2.3 million because political consultants warned them the ballot measure had legal flaws. When that proved true, and the court threw out Proposition 5, the Agua Caliente were already well underway with a backup plan, spending millions on a massive signature-gathering effort to qualify a new version of Proposition 5.

Even tribes with no gaming operations are playing the political game.

The Pala Band of Mission Indians, with about 850 members and a 40 percent unemployment rate, has been lusting for gaming since 1984. But the tribe was never able to secure the kind of financial backing necessary to open a gaming operation, in part because it is located in San Diego County, a competitive market where three other tribes have opened casinos in the past 10 years.

Negotiating with governors

After 16 months of arduous negotiations with Governor Pete Wilson, the Pala tribe eventually signed a gaming agreement that was intended to be a model for all tribal casinos. The Pala compact placed strict restrictions on the type and number of video slot machines that would be allowed on tribal casinos. It also allowed non-Indian tribal casino employees to unionize, and required that tribes adhere to state and local environmental standards.

But the Pala compact was immediately rebuffed by most of the state's casino tribes. Convinced that Wilson's agreement would mean financial ruin, they launched Proposition 5, which became the most expensive ballot measure in the nation's history.

Tribes that were casino rivals suddenly became partners in fighting the potential loss of their lucrative gaming machines, which Wilson and federal authorities had deemed illegal and had won court approval to shut down. Without Proposition 5, the tribes would be forced to pull the plug on their gaming machines and begin operating under the restrictive terms of the Pala Compact.

Agua Caliente, fearing that Proposition 5 might lose, took out a political insurance policy. One month before the November 1998 election, it qualified a referendum for the March 2000 ballot that would nullify the Pala Compact, which had been signed by 11 tribes and ratified by the state Legislature after a bitter tussle.

Meanwhile, under Governor Davis, who won his election with considerable tribal backing, tribes began a new round of compact negotiations, attempting to strike a deal on gaming that would be far more palatable than what Wilson had proposed.

The most dramatic session occurred in late August when, like an 1800s treaty talk on the Great Plains, Davis sent his negotiator, retired federal judge William Norris, to sit down and negotiate with more than 300 tribal representatives. Unlike those long-ago sessions on Indian lands, these talks occurred in a downtown Sacramento convention center and the tribal leaders were accompanied by a retinue of lobbyists and lawyers. The sheer enormity of the undertaking was reflective of the nature of Indian negotiations.

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A different mindset

Those who work with tribes say there are cultural characteristics that set them apart from other special interest groups. "They are the most frustratingly and impressively democratic people to deal with," said Isenberg. "You'd be astounded at the number of meetings they hold before reaching a decision. But you have to admire it. These are their governments and it's how they work."

Republican consultant Temple, who works with the Viejas tribe, said he often must present his point of view to as many as 50 tribal leaders, who often are "quite distrustful" because of the Indians' past history in dealing with white men and politicians whose word they couldn't always trust.

Although tribes often meet jointly to confer with a consultant, they guard their individual interests jealously and no tribe would hire a consultant working for another, according to one political consultant familiar with tribes.

If winning overwhelming support for Proposition 5 at the polls last year and stalling the Pala Compact's provisions until 2000 were the only yardsticks, Native Americans would appear to have achieved their political goals. But the more intriguing and important debate is how much progress they have made toward their broader goal of being recognized as sovereign entities by the state.

Given the 63 percent of voters who approved Proposition 5, tribes have clearly succeeded in educating the public and politicians about their history and about how important gaming is to their economic survival. By contributing millions of dollars to state and federal races, they have earned access to politicians, who are now well acquainted with Native Americans attending fund-raisers and political rallies.

Politicians in Washington, D.C., already have a good understanding of the tribes, consultants say. In Congress, some 80 lawmakers belong to the bipartisan Native American Caucus, including Southern California representative Bob Filner (D-San Diego).

In Sacramento, legislators are gradually becoming more aware of how to handle Native American issues. "They're interested, curious and puzzled," said Isenberg of his former legislative colleagues. "They're coming to terms with Indians as governments, in the same way the federal government has."

Getting beyond gaming

Although sovereignty is at the heart of the Proposition 5 debate, it was downplayed during the campaign by tribal spokesmen, who focused instead on the notion of getting tribes off welfare, which their consultants considered an easier sell to voters. "The real issue is not gaming, and tribal leaders know this in a profound way," said Viejas chairman Pico. "The issue is that Native American tribes are governments and gaming is hooked up to the tribes' right to self-government."

That sentiment — that sovereignty is all-important — was never more vivid than when some 300 tribal representatives met in late August to hear the terms of Governor Davis' proposed gambling agreement. The terms, while not nearly as onerous to casino tribes as those of Davis' predecessor, former Governor Wilson, were still galling to tribes who believe that, as sovereign nations, they should have the final say on the size, scope and style of gambling.

At least one tribal leader walked out of those discussions in disgust.

The situation illustrated one of the classic dilemmas of modern-day casino tribes: While they want to exist as independent governments and run their casinos on their own terms, they must still work within guidelines set down by the federal government that call for negotiations between tribes and their governor. Once the fight for Indian gaming is over, tribal leaders envision a future in which they can focus on ensuring the prosperity of their people, give them a chance to attend college and to find jobs outside of casinos. Above all, they want the government, whether it's state, federal or local, to acknowledge and treat them as equals.

"Once the country understands that we have some hopes and dreams, and that we are responsible governments, we'll be on our way to take our rightful place in the mix of governments in this country," said Pico.

Ioana Patringenaru, a Los Angeles Times *intern, wrote this piece while a graduate student at the University of California, Berkeley, Graduate School of Journalism. Comments on this story may be e-mailed to* edit@statenet.com.

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School bonds and the two-thirds vote

by Lance T. Izumi

Some next year, it's likely there will be an initiative on the ballot to reduce the current two-thirds voter approval requirement for local school construction bonds to a simple majority vote. Those who support the change claim that the passage requirement on bonds must be lowered in order to raise adequate revenues for school construction. The facts, however, tell a different story.

First, the two-thirds requirement has not been an insurmountable obstacle for bond passage. Since 1986, a majority of local school bond measures have received the needed two-thirds voter approval. Indeed, in 1998 more than 60 percent of local school bonds received the requisite two-thirds vote.

State lawmakers take less flak if they ask voters to pass a bond than if lawmakers enact a general tax increase.

The two-thirds requirement does, however, force local school districts to make a solid case to the public that bond money is really necessary. Are current tax dollars being well-managed by districts? Is there significant waste of tax money? Have other alternatives been considered and exhausted? For a bond to pass with a super majority, school officials must answer satisfactorily these and other critical questions. The two-thirds requirement, therefore, acts as an important incentive for school districts to operate efficiently and to account for their performance.

While the two-thirds vote requirement hasn't stopped the flow of school construction revenues, it has provided needed protection for property owners. Local school bonds are mostly paid for by property taxes. The two-thirds requirement prevents the general electorate from too easily increasing taxation on a minority of the population, in this case property owners.

Further, making it easier to pass local school bonds limits flexibility. Because bonds are paid back over time, taxpayers are committed to paying off the bond even if demographic changes occur that negate the need for extra facilities. Look, for example, at the projection changes in statewide public K-12 enrollment.

Today, there are approximately 5.7 million K-12 public school students in the state. In 1995, the California Department of Finance (DOF) projected that by the year 2004, total public K-12 enrollment would be nearly 6.4 million. In its most recent 1998 projection, however, DOF estimates that by 2004 total enrollment will be 6.05 million — 350,000 less than the prior estimate.

The California Department of Education calculates new school construction needs based on a formula of $12,000 per student plus land costs of $3,000 per student. Using that formula, the difference of 350,000 students between the two DOF projections works out to a drop of $5.25 billion in new construction needs. In other words, had local school bonds been approved based on the earlier DOF projection, the result would have been a $5.25 billion over-commitment of tax dollars. Yet, these bonds would still have to be paid back regardless of whether the facilities were needed after all.

It should be noted that increased reliance on property taxes for school construction doesn't necessarily help poor school districts. However, poor districts have less valuable property to tax than rich districts. Thus, making it easier to pass local school bonds won't guarantee that new construction money will reach poor districts.

Finally, one cannot ignore the politics behind why many state elected officials wish to change the passage rules for local school bonds. State lawmakers take less flak if they ask voters to pass a bond than if lawmakers enact a general tax increase. Further, by funding school facilities through bond revenues, lawmakers avoid including school construction in annual state budgets in a pay-as-you-go system. Kicking school-construction funding decisions down to local school districts and voters allows state lawmakers to avoid making tough annual decisions about spending priorities and gives them more freedom to spend annual budget dollars on their pet programs.

Eliminating the two-thirds vote requirement is an unfair and less effective way to build more classrooms. State funding through the budget process, reducing school construction regulations, eliminating prevailing wage requirements on school construction, and giving opportunity scholarships to parents so the private sector can absorb some of the student population increase are better and less costly alternatives.

Contributing Editor Lance T. Izumi is a senior fellow at the Pacific Research Institute in San Francisco. Comments about this column may be e-mailed to edit@statenet.com. *The views expressed do not necessarily reflect those of the* California Journal.

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Life without a c

Contrary to how it may seem, not all California Indian tribes can — or want to — run gaming halls filled with slot machines. For a number of mostly rural tribes, running a business means something other than a casino.

By Claudia Buck

The Round Valley tribes of Mendocino County would love to open a gambling casino. But for a reservation isolated at the end of a twisty mountain road — miles from the nearest highway – gaming just isn't in the cards.

The Round Valley Indians are not alone.

Although gambling has been the express train for many California tribes, zooming them along the fast track to wealth beyond their dreams, a number of tribes are choosing alternate routes to economic security.

Not as flashy or as quick to turn a profit, the alternatives to casinos – and the reasons that tribes embrace them – are as varied as a game of chance.

Some tribes are located on reservations too remote to draw gamblers. Others have a moral opposition to gambling. And others, given the current turmoil and legal uncertainty over Indian gaming, are simply leery of such a risky roll of the dice.

"My philosophy is we can't put all our eggs in the gaming basket. It doesn't fly," said David Lent, former economic development chair for the Paiute tribe near Bishop. "We can't depend on casinos because you never know what's going to happen politically. We have to diversify."

From bottled water to basket-weaving, non-casino tribes are turning to a number of varied business enterprises, including:

•The Round Valley tribes in Mendocino County who are negotiating to open their own bottling plant and sell "the best bottled water in the country."

•Yurok tribe members, alarmed by the dwindling salmon population in the lower Klamath River, are running bulldozers and earth-moving equipment, working with a local logging company to help restore the damaged streambeds.

•An effort to revive tribal traditions by the Redwood Valley Rancheria in Mendocino County, which is considering teaching basketweaving using native plants and grasses.

•The Karuk tribe in the job-depressed community of Happy Camp, who owns a corporation that oversees a medley of get-to-work efforts, including a computer center and a rustic furniture business.

•Northern California's Hoopa tribe, having lost its lucrative timber harvesting, is aggressively wooing businesses to locate on tribal land, with a pharmaceutical company ready to open and a modular home manufacturer waiting in the wings.

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"We're slowly finding our way onto the business radar screen," said Daniel Jordan, tribal director of commerce for the Hoopa tribe, which is located east of Eureka on the Trinity River.

It has not been easy. Tribes have been stymied by their traditions, by outsiders' prejudices and by their own inexperience in dealing with government bureaucracy.

And unlike their wealthier casino-tribe cousins, tribes that don't choose gaming have a tougher time attracting investors willing to help turn a business plan into reality.

"We need a friendly [government] system to become taxpayers, not 'taxtakers'," said Steve Casebier, environmental consultant to the Round Valley tribe. "But every time we try, we find roadblocks."

Achieving economic independence – at the heart of tribal desires for sovereignty — is difficult, especially for rural tribes. But even tribes running casinos know they must expand beyond gaming. A number have used their gaming riches as a springboard to other business ventures, from outlet shopping malls to RV storage lots.

"Our belief is that a casino is just a stepping stone financially to get into other businesses and diversify," said

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Machelle Strom, tribal administrator for the Elk Valley Rancheria, which runs a small casino along the southern edge of Crescent City. "With the way things are going politically, it's very wise to be looking at other business ventures."

Her tribe is looking far ahead, having opened the only high-speed Internet service provider (ISP) in Crescent City and recently purchased another ISP that covers southern Oregon.

Roadblocks to casinos

Of the 107 federally recognized tribes in California, 41 operate casinos. Some of the remaining 66 tribes want to open casinos; others do not.

For some tribes it's just a matter of simple geography. For the Round Valley Indian tribes, a group of seven small tribes located east of U.S. 101 near Willits, their remote location makes opening a casino too risky. Even with 80 percent unemployment among the tribes' 3,500 members, gambing just doesn't add up.

"If you did a feasibility study and looked at how far off the beaten path we are, it doesn't make good business sense," said Casebier, the tribes' environmental program coordinator. "It would be a bad investment."

For other tribes, gambing means diving into troubled waters. Given Indians' historic troubles with alcohol addiction, they're reluctant to add another potentially addictive activity onto their reservations. "We've heard lots of stories of troubles" occurring on casino reservations, said Linda Blue, one of a small band of Sacramento area Indians applying for federal recognition as a tribe. "Why would we want that for our tribe?"

Another part of the roadblock to economic independence has been the tribes' inexperience in working with the "white man's" government.

"We are resource-rich but we don't have the affluence and the education and the entrepreneurship to be ingrained in the system," said Round Valley's Casebier.

He said it took 10 years for the tribe to get its bottled water idea off the ground. They initially couldn't afford a $35,000 feasibility study and without it no bank would consider granting them a business loan. Eventually, after completing a timber sale, they hired a consultant, who advised them there was a strong market for bottling and selling their "mountain-fed, artesian spring water."

But before they could attract investors, the tribe first needed to acquire the basics of running a business: toilets that flush and tap water that's safe to drink. That's been Casebier's mission since he was hired nearly five years ago: securing federal grants to install a $5 million sewer system and a drinking water treatment project. Both are now underway. "The infrastructure will allow us to build housing and other economic ventures," said Casebier. "If you can't flush your toilet, you can't build, either commercial or private projects."

Learning to negotiate

Armed with an encouraging feasibility study and with its infrastructure nearly completed, the tribe is negotiating with a company to build a bottling plant on the reservation that could employ as many as 25 tribal members.

Above all, Casebier believes the economic lessons that the tribe is learning are "setting up a domino effect. Now that we've been through an economic development plan, we're better prepared for the next venture."

Part of that preparation can be learned, according to Lent, the former Paiute tribe official, now executive director in Sacramento of Indian Dispute Resolution Services, a private agency that trains Native Americans and others in negotiating, problem-solving and mediation. "We train them in how to communicate and how to conduct negotiations: who creates the agenda, how to sit at the table. We coach tribes through the process so they come away from the table with a win-win result for both sides," said Lent.

One of his tribal clients, the Timbisha Shoshones, have argued for decades with the federal government about their right to live within national park boundaries in Death Valley. "We've sat with them [tribal leaders] for the past five years and taught them the art of negotiation and persuasion," said Lent. The result, he said, was an agreement that allows the Shoshones about 10,000 acres, partly inside park boundaries, where they intend to build a cultural/historical center and an inn, benefiting both the tribe and the park's tourism trade.

For many tribes, creating their own businesses is a way to reconnect with their roots, bringing them closer to their ancient traditions. The Redwood Valley Rancheria in Mendocino County wants to revive its basket weaving, both as a potential moneymaker but also to pass the tribe's cultural traditions onto its children.

But after hiring a consultant to study the prospects, the tribe found that selling their baskets posed a number of problems, perhaps the most crucial was that tribes attach cultural and spiritual significance to their handwoven baskets, which makes selling them undesirable.

Instead, according to Carol Gaubatz, consultant to the Assembly's Rural Economic Development Select Committee, the tribe is contemplating opening a cultural center where traditional basketry classes could be taught.

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Indian traditions, old and new, at a Sacramento-area powwow.

Another incentive to establishing well-paid jobs on the reservation is that any new business becomes a magnet connecting tribal children to their homeland. "This is the only way you're going to get (tribal) kids to come home," said Strom, Elk Valley's tribal administrator. "You create a business where the kids can go off to college and come back to a nice-paying job. There's no reason now for them to go to college and come back to Crescent City and become a fisherman....or take some other poverty-level job."

That's a key focus among tribes, who have one of the highest high school dropout rates of any ethnic minority group. Native Americans are the smallest racial minority in the United States, accounting for only 1 percent of the population in the 1990 census, or about 2.2 million people.

A unique relationship

But unlike any other minority group in the American melting pot, Indian tribes have a unique relationship with the federal government and the states. That relationship is dictated by multiple treaties, statutes and laws that regulate land ownership, management of natural resources and the structure of government on Indian reservations.

More often than not, those laws have curtailed the tribes' independence and possibilities for economic development. Stuck on mostly rural reservations with little educational tools or means of becoming financially independent of federal funds, Native Americans became mired in poverty.

But that changed in the early 1980s when tribes argued that their sovereignty allowed them to engage in gaming on their own land regardless of state laws. The casinos they opened, which featured only bingo at first, then off-track betting and slot machines, offered a chance for quick cash and longterm economic prosperity.

But tribes soon bumped up against governors who either opposed gaming or wanted a chunk of the revenues. State governments successfully lobbied Congress to pass the Indian Gaming Regulatory Act in 1988, which requires tribes to sign compacts with their state's governor before opening a casino.

"There's a terribly paternalistic attitude toward Indians," said Phil Isenberg, a former state Assembly Democrat who now works for the Alliance for California Tribes, a group of nine tribes formed a year ago to pursue non-gaming issues.

"There's not much contact by the California government with tribes," said Isenberg, "and what contact is there is mostly full of tension and animosity. They don't naturally understand that Indians are literally and legally governments."

That's not surprising given the contradictory legal history regarding tribes that goes back nearly 300 years. During the 17th century, the British crown considered Indian tribes foreign nations, and therefore not covered by the laws, restrictions and rights governing its colonial subjects.

As early as 1790, the land-hungry American government started making treaties confining Indians to specific territories and guaranteeing tribes that they would receive health care, food and education in exchange for the land they had ceded. As the country grew bigger, it became clear that Native Americans would have to be moved farther West to make room for newcomers. By 1832, the U.S. Supreme Court, led by Chief Justice John Marshall, set Indian law on the trajectory it still follows today. Marshall's rulings established that the federal government, not the tribes, owned the land that had been ceded in various treaties. Marshall also ruled that tribes are not foreign nations, but "wards of the state," in a "domestic dependent" relationship with the federal government.

While the ruling recognized the tribes' right to govern themselves and specified that state legislation could not apply on Indian reservations, it limited tribes' sovereignty by clearly subordinating them to the federal government.

During President Andrew Jackson's tenure, the government established a series of trust funds for tribes, partly to compensate individual Indians for use of their land and partly to weaken tribal control over valuable natural resources. (Under the arrangement, which continues today, tribes are to be reimbursed for the sale of petroleum, timber and other natural resources mined and drilled on their land. But like so many broken treaties between tribes and the government, Indians are now suing the federal government, which cannot account for what it says were billions of dollars deposited into tribal trust funds.)

No-man's-land

Indian reservations encompassed 138 million acres in 1887; by 1934, the total acreage had dwindled to 48 million. From the early 1950s until the late 1960s, Congress made further efforts to assimilate Indians and moved to

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"We can't put all our eggs in the gaming basket. It doesn't fly." — David Len

terminate reservations and the special trust relationship that connected tribes to the U.S. government. In many cases, Indian lands were sold to the highest bidders, and profits redistributed among tribal members.

In 1970, President Richard Nixon declared the termination policy a total failure. Congress gave the tribes more autonomy and financial aid to make their own decisions on education and health care.

That prompted many tribes to begin re-applying for federal recognition as a tribe, in part to receive federal assistance for housing, education, and health care.

But meanwhile the U.S. Supreme Court curtailed tribal sovereignty by allowing state law to apply to Indian country when non-Indians are involved – although it has made exceptions if that interfered with the tribes' self-government.

The result is a sort of legal no-man's-land when it comes to running a business on a tribal reservation. "If you think of a tribe as being a separate nation, ...whose laws apply when you want to develop in Indian country?" said Jordan. "It creates a void and that's what contributes to the high unemployment on Indian reservations."

Without clearcut guidance from the state or the tribe itself, Jordan said companies are unsure about who would enforce a contract or handles disputes about a lease, for instance.

To resolve that, Jordan's tribe wrote its own business codes last year to eliminate the question marks. Covering everything from lease arrangements to capital investment, he said the codes "let businesses look at Indian reservations in a new light. The whole reason we have 11 codes is to take the mystery out of doing business on Indian reservations."

He believes the state should do more to encourage business developments on tribal lands, noting that such businesses can provide jobs and training for tribal members – as well as the public – and generate sales tax dollars for the state on items purchased by non-Indians.

An enviromental commitment

But the tribe also takes its role as environmental caretaker seriously. "The Hoopas have been here for 10,000 years and we're going to be here for another 10,000 years," said Jordan, noting that history has made them especially sensitive to preserving their natural resources.

"We have a close connection to the environment and want to protect it," said Jordan. "So we can handpick the businesses that come onto the reservation. We're not going to put up a huge factory employing 10,000 people," he said, because it would harm, rather than help, the local landscape.

That same caretaker role has driven the Yurok's efforts to restore the damaged streambeds of the Klamath River. It's partly economic survival; partly cultural tradition. "We depend on the fish...they're part of all our ceremonies," said tribal executive director Troy Fletcher, whose 4,200 members constitute the largest tribe in California. "If the fish go away, we go away."

In what he says is the only such tribal agreement with a logging company anywhere in the country, Fletcher's tribe oversees some $1 million in restoration work, training and employing some 25 workers to inventory and then repair roads and streambeds that have fed fish-killing silt into the Klamath River over the years.

Both the Yurok and Karuk tribes are located in the legislative district of Assemblywoman Virginia Strom-Martin (D-Duncan Mills), who agrees with the need for more state-tribal cooperation. She has 29 small tribes in her North Coast district, the most of any legislative district in the state. As chair of the assembly's Rural Economic Development Committee, she held hearings last spring and 1997 to help the tribes share ideas on economic development.

Just issuing the invitations was "an eye-opener," she said. For many of the tribes in her district, it was the first time they'd been invited to a hearing of any kind by state or even local government. "These are two cultures that haven't wanted to mix too much," said the assemblywoman, who as an elementary teacher often heard prejudicial comments about Indians from the mouths of her third-and fourth-graders. Nevertheless, Strom-Martin believes the key to tribal economic independence is working with the local community. "To be successful, the tribe has to interact with local communities and business organizations," she said. "I think that's beginning to exist and when the state can help them navigate the system, we should do that."

The debate over Proposition 5, which California voters overwhelmingly approved last November but saw tossed out as unconstitutional a month ago, put Indian tribes on the map politically and elevated their concerns to the top of most politicians' agenda.

Legislature waking up

"After we saw the divisive nature of that issue play out in the Capitol, the speaker thought we needed another approach where the Legislature could reach out to tribes and where we could help them," said Melinda Melendez, an assistant to Assembly Speaker Antonio Villaraigosa (D-Los Angeles). "It was such a highly charged environment, working on gaming, but it isn't the only issue that Native Americans have in California."

The result was the "Speaker's Working Group on Native American Non-Gaming Issues, an informal gathering of some 20 legislative staffers from both parties, as well as individuals from non- profit groups and state and federal agencies that work with California tribes. According to Melendez, who heads the adhoc group, they meet

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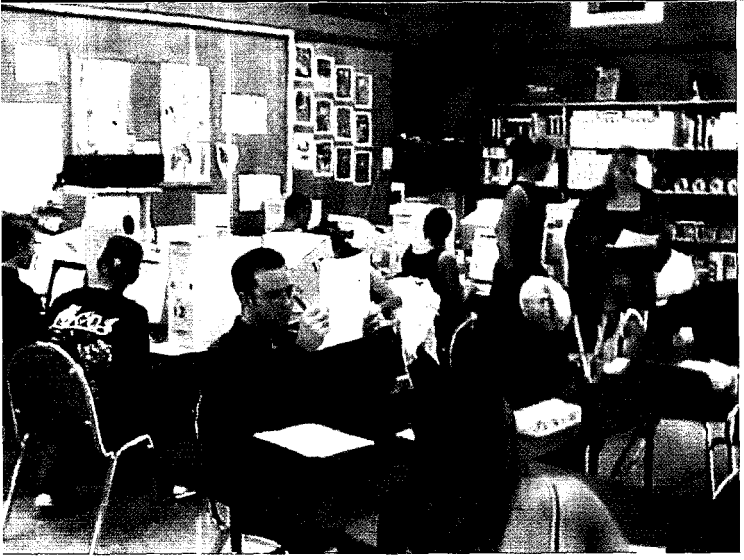

Happy Camp Community Computer Center, Karuk Tribe

every couple of months to discuss ways that the state can "help tribes help themselves."

There have been no legislators or tribal leaders at these talks, she said, because they're intended as an informal chance for staffers to focus on issues that can immediately benefit California's tribes. One result was getting former Governor Pete Wilson's signature last year on a bill giving tribes funds to hire a consultant who could instruct them on how to write grants for low-income federal housing funds.

The speaker's group also put legislative muscle behind a languishing effort by several Northern California tribes attempting to have the federal government return the embalmed brain of Ishi from storage in a Smithsonian museum warehouse. Tribes had sought in vain to have Ishi's remains returned to California for ceremonial burial. According to Melendez, it was not until the state stepped in, adding clout to the request, that an agreement was reached to bring Ishi home.

"We want to spend some time educating the Legislature on what sovereignty means," said Melendez, who herself has Indian ancestry. "It means more than being an ethnic minority. Whether it's gaming or land use or environmental mitigation, we all need to better understand the Indians' sovereign rights."

There are signs that's beginning to happen. "We're starting to see the stirrings," said Isenberg, noting that seven or eight bills in the Legislature's recent session dealt with Native American issues. "The Legislature is starting to treat them the same way they treat any other citizens group," said Isenberg. "This is a historic, dramatic change."

To Jordan, the Hoopa spokesman, the old antagonisms need to be replaced by a new recognition that tribes and the state can help one another. "As sovereign nations, we both want the same thing: economic prosperity, taking people off welfare, providing services to our citizens. States haven't recognized the opportunities that tribes can bring. We need to join forces and help each other out."

Claudia Buck is an associate editor of the California Journal. *Comments may be e-mailed to edit@statenet.com.*

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Time for a child care master plan

by Kate Karpilow

California's $2 billion child care system has been stitched together like a patchwork quilt, with programs added over time, through political compromise, in response to advocates' demands and in pursuit of federal dollars. And not surprisingly, parents and child care professionals complain about affordability, availability and quality of care, not to mention convoluted bureaucratic demands. It's time to develop and adopt a state master plan to guide the operation, growth and standards of California's child care system.

The non-partisan Little Hoover Commission gets credit for launching the most recent discussions. Its September 1998 report, *Caring For Our Children,* observes that the "role of child care has grown large and so important that it is time for a wholesale review of what the State wants to accomplish."

In a rare instance of competition for child care legislation, three comprehensive master plan bills were introduced this session, now merged into two. Among advocates and legislators, there appears to be agreement on the need for a child care master plan, but debate has not fully resolved questions about where to locate a study, what should be covered, and how it should be funded.

Missing from this debate is any clear statement from Governor Gray Davis. According to a high-ranking staffer, Davis has "not taken a position on the master plan at this time." Nevertheless, Davis' staff made off-the-record recommendations to delay consideration of master plan legislation until next year. They promise to focus on the bills later this fall but give no assurances that the governor will make them a priority.

Advocates and legislative staff express concern that child care is not on the governor's radar screen – and they are puzzled as to how a governor so ferociously committed to education could allow pre-school, after-school and other child care programs to be disconnected from the education discussions that dominated the first six months of his administration.

And why, some ask, after the California Supreme Court struck down Proposition 5, did the governor immediately have the time and interest to develop a proposal on gambling at Indian casinos – when his administration can't seem to focus on an issue as essential as child care?

Why slots — and not tots?

To be fair, Davis has been on the job only nine months. He pushed through a package on education; he signed the state budget on time; and he's hiring or appointing hundreds of new state officials. Moreover, the budget he signed augmented funding for pre-school and after-school care. But where's the big picture?

The concern is this: Gray Davis, the third of California's last four governors to be a childless man, may not understand the need of working parents for quality child care, nor the scheduling contortions needed to care for sick children, respond to school-yard accidents and ensure that there is "homework time." And the concern goes deeper: Davis has never had to consider working part-time — or not at all — because he couldn't find child care.

Governor Davis has never had to consider working part-time — or not at all — because he couldn't find child care.

The Little Hoover Commission's report indicates that the odds are against a successful master plan being completed. A plan was developed in 1978, but numerous updates have been called for and not conducted — or actually launched but politically dismantled before completion.

But history also gives us hope. Governor Pat Brown played an instrumental role in launching and implementing the state's master plan for higher education, and his leadership established our modern infrastructure of highways, parks, schools, and waterways.

As we enter the 21st century, our state leaders need to see child care as a necessary part of our social infrastructure — and understand, as the Little Hoover Commission report concludes, that our patchwork quilt of child care programs "fails in its fundamental purpose — to make quality child care available to working families." A master plan — particularly one that is adequately funded and has the political support of our governor — is what we need to design a better child care system in California.

Kate Karpilow is executive director of the Institute for Research on Women and Families, affiliated with the Center for California Studies at California State University, Sacramento. She is the author of Understanding Child Care: A Primer for Policy Makers. *Comments on this article may be sent to* edit@statenet.com. *The views expressed do not necessarily reflect those of the* California Journal.

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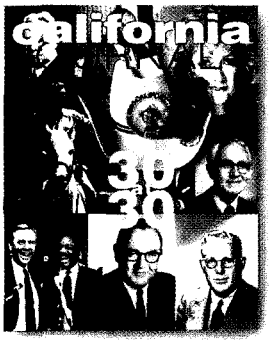
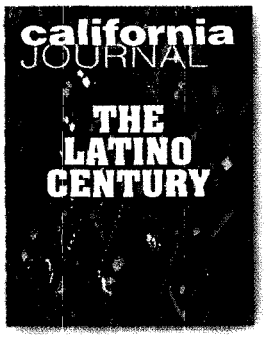


November 1999: 30 at 30

To celebrate the arrival of the 21st century, the Journal profiles the 30 individuals we believe most influenced California government and politics in the 20th century, with a list of writers nearly as prestigious as the personalities they profile. Kevin Starr on Hiram Johnson, Lou Cannon on Ronald Reagan, Sherry Bebitch Jeffe on Tom Bradley, Ed Cray on Earl Warren, Gregory Rodriguez on Cesar Chavez, Jerry Roberts on Dianne Feinstein, John Jacobs on Phil Burton, Bill Boyarsky on Jesse Unruh, Karen Gettman on Artie Samish, George Skelton on Pat Brown — to name just a few. The November California Journal promises to spark endless debate with this collector's edition.

January 2000: The Latino Century

The new millennium heralds the dawn of a new California, one with no true ethnic majority. The Journal will mark the event with an in-depth look at Latinos, who could become the new century's dominant political force. The magazine will explore the emergence of a new culture in Southern California, borrowing from Mexican and U.S. traditions but unique unto itself. We'll also take a look at Latino-owned small business — a driving force in much of California's economic recovery. And, of course, will examine Latino community political strategies and profile the pioneers and the comers.



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Doing the math: Jobs + housing = traffic

by Susan Rasky

California earthquake lore has long featured a doomsday scenario in which the Big One tips the state's western edge into the Pacific and shifts the coastline 100 or so miles east to the Central Valley.

It turns out the earthquake won't be necessary.

Thanks to the laws of supply and demand in an overheated and undersupplied housing market, the city of Tracy (population 50,000 and growing at a breathtaking rate) has already become, at least for planning purposes, part of the Bay Area.

In the eastern reaches of Alameda and Contra Costa counties, where anti-growth activists and developers are waging the latter day version of the 19th century range wars, Tracy's transition from sleepy farm town to regional partner could not be more critical.

Situated in the southwestern corner of San Joaquin County, Tracy offers what has become an increasingly rare, and therefore precious, commodity to the Bay Area workforce — relatively affordable housing.

In 1980, about 5,000 workers commuted from the Central Valley to jobs in the Bay Area. The Association of Bay Area Governments estimates that the current number is 35,000, with Silicon Valley the primary destination.

ABAG projects that by 2020, the number of workers willing to trade the grueling commute for Central Valley homes will explode to 200,000. Santa Clara County, which is adding 50,000 new jobs per year but only 5,000 housing units, will maintain its high skilled Silicon Valley workforce; Tracy will reap the benefits of new development, which is to say the $30,000 per housing unit development fee; and Alameda County, particularly the city of Livermore, will get the traffic congestion and auto pollution as thousands of new commuters make their way over the Altamont Pass each day.

It hardly seems fair.

So Alameda County and Livermore did what any good neighbors would do — they sued Tracy to halt the development. Then Fresno County and the Sierra Club joined the fray to argue that Tracy's developers would be illegally importing drinking water from Central Valley farms.

How any of these complaints might have fared had they actually made it through the courts is worth pondering. The claim of "traffic damages" seems at best constitutionally dubious since the congestion involved interstate highways.

The parties agreed to an out-of-court settlement under which Tracy's developers paid an additional $1,500 per housing unit regional transportation fee to "mitigate" congestion and pollution problems, and the developers found another source for drinking water. Just to keep the extortion neighborly, San Joaquin County also became a member of a new Inter-Regional Partnership that includes officials from Alameda, Contra Costa Santa Clara and Stanislaus Counties.

The "partners" now face their first high profile political crisis. Slow growth advocates in four cities — Danville and San Ramon in Contra Costa County and Livermore and Pleasanton in Alameda County — are pushing ballot initiatives that would require voter approval for new housing development in excess of 10 units (20 in Livermore.) Tracy, which seems to have acquired Bay Area sensibilities rather quickly, is facing its own initiative threat from residents who want to halve the new housing allowed under the city's general plan.

So Alameda County and Livermore did what any good neighbors would do — they sued.

So much for coordinated regional planning, not to mention the underlying housing shortage. The separate issue of housing affordability doesn't seem to be on anybody's radar.

In theory, state government has some minor leverage in that regard under a decades old law requiring cities to include affordable housing units in their general plans. Cities that fail to do such planning (no building is actually required) are subject to suits by non-profit developers or to a cutoff of state funds for affordable housing.

The farcical consequence, of course, would be depriving cities of money for housing they have no desire or intention to build in the first place. As a last resort, the state can also impose a total development moratorium on recalcitrant cities, which, in the wacky logic of a state where the initiative process trumps all, is just about what the slow growth advocates are looking to accomplish at the local ballot boxes in November.

Contributing editor Susan Rasky teaches at the University of California, Berkeley. Comments on her column may be e-mailed to edit@statenet.com. *The views expressed do not necessarily reflect those of the* California Journal.

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Following the

Plate sin with gold,
And the strong lance of justice hurtless breaks...
— William Shakespeare

The last few decades have been interesting times for the initiative process in California. Conceived as a means of breaking special-interest control of the Legislature, the initiative's high-minded objectives have been virtually swallowed whole by the very special interests it aims to hold in check. Campaign reform advocates, newspaper columnists and television commentators rail at the millions poured into initiatives by interest groups — sometimes to make a law that serves their interests, sometimes to block one that doesn't. These comments and reports often cite at great length the identities of the contributors — who they are, where they're from, what noble, or ignoble, objective they seek to achieve with their bounty. But while the watchdogs are probing the backers and backgrounds of initiative campaigns, one question is often left off the list.

Where does all this money go?

Media commentators make much about where all that political money comes from. But who actually gets it all? Is all that spending really necessary, and if so, who's getting rich, and who's getting rooked? As a case study, we examine Propostion 5.

By
Steve Scott
and
Melissa Mikesell

Who gets all these millions being poured into initiative campaigns? How much goes to the actual process of reaching out to and influencing voters? How much is lining the pockets of political consultants? Is it really the special interests driving the initiative financing arms race, or is it the political professionals in the initiative industry? And is this frenzy of spending truckloads of money buying voters "direct democracy" or deceptive demagoguery?

Democracy simply means the bludgeoning of the people by the people for the people.
— Oscar Wilde

In an attempt to tackle some of these questions, *California Journal* staffer Melissa Mikesell undertook the arduous task of poring through reams of campaign expenditure reports for one of the nine voter initiatives from last November's ballot. Not just any garden variety initiative, but the Magilla: Proposition 5, the Indian gambling initiative that set records for the total amount spent on a single initiative ($92.1 million) as well as for the most spent by one side on a single initiative ($66.9 million by the Yes on 5 campaign). Proposition 5, for those who may have spent the last year and a half in suspended animation, sought to expand the ability of Indian tribes involved in gambling to use slot machines in their casinos.

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money

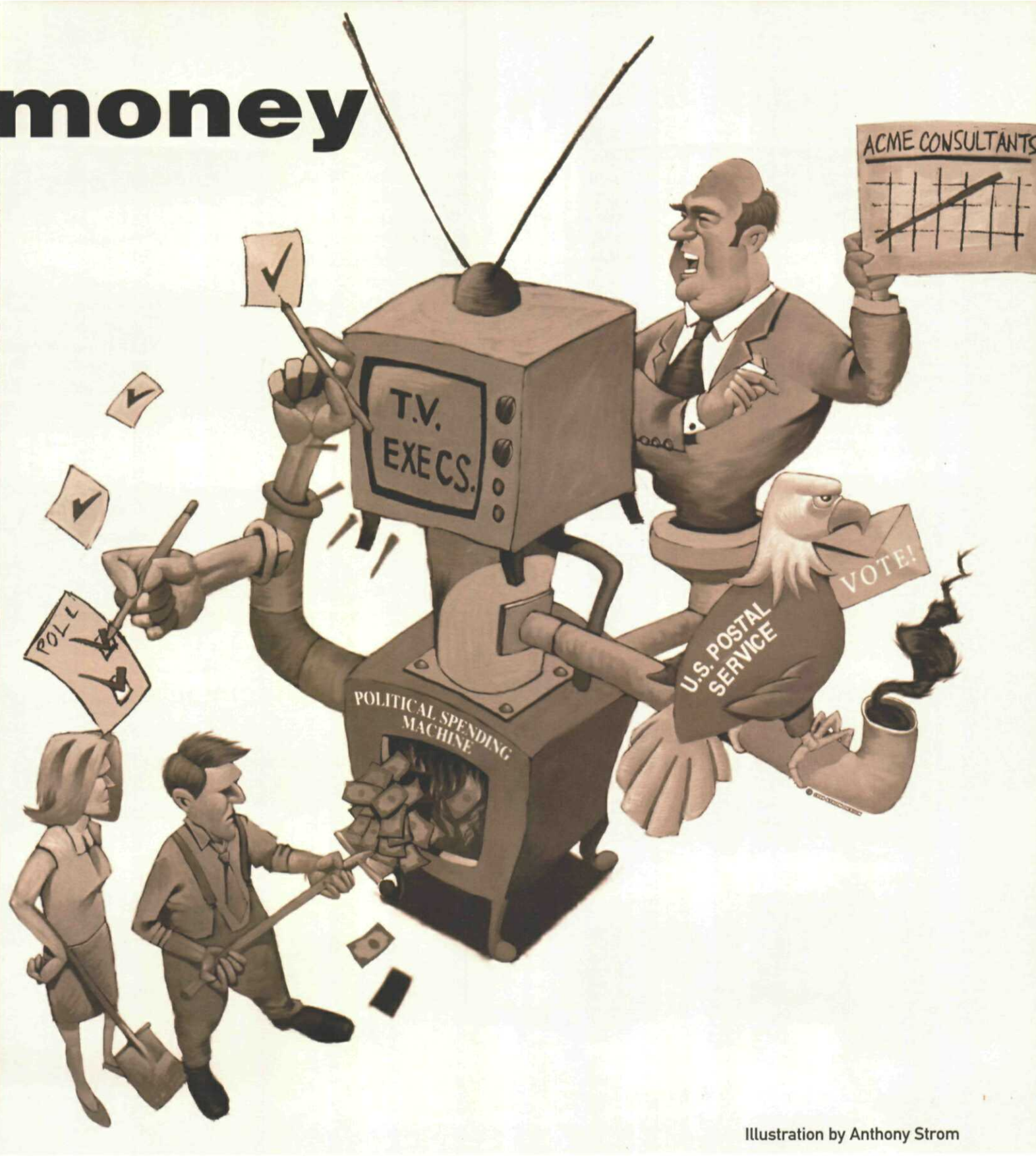

Illustration by Anthony Strom

We chose Proposition 5 — which was approved by a margin of 62 percent to 38 percent — not only because of its mind-boggling numbers, but because it demonstrates the plethora of avenues by which money can be made in an initiative campaign, especially when, as seemed the case with the backers of Proposition 5, the budget is virtually limitless. Recent news events underscored the wisdom of taking a closer look — in late August, the state Supreme Court ruled the statutory initiative violated the state's ban on casino-style gambling. (see story, page 30).

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It seems inevitable that a new measure, written as a constitutional amendment, will be on the ballot in March, and the battle will be joined anew.

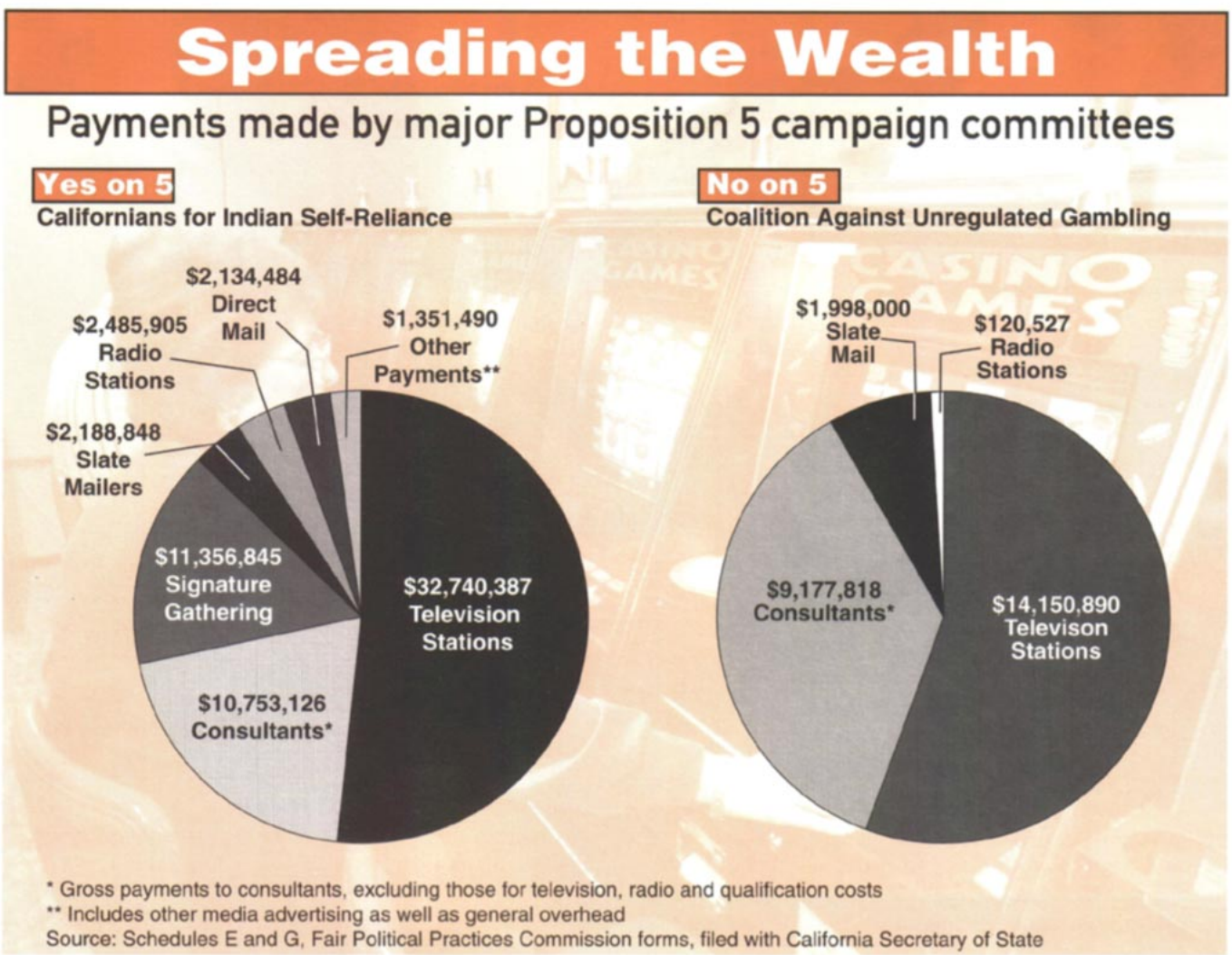
The process of reporting campaign expenditures resembles something out of the playbook of the Internal Revenue Service. Campaigns are required to report all expenses above $100 and three different types of forms are used. It is only by deconstructing these schedules that an accurate picture emerges of how much was made by consultants, how much by television stations, how much by direct mail and slate mail operations, and how much by all the other "little people."

Politics is not a science...but an art.
— Prince Bismarck

When critics of the initiative process raise their lances over the issue of campaign expenditures, they usually aim squarely at political consultants. There are legions of them, ranging in specialization from "full service" campaign management firms to something as finely carved as outreach to Republicans in Ventura County. The spending report for Yes on 5, Californians for Indian Self-Reliance, lists no fewer than 85 different individuals and firms as consultants to the campaign. Thirty-five different names and firms are identified on the report for Californians Against Unregulated Gambling, No on 5. Some, like pollsters Fairbank, Maslin, et al, raked in seven-figure sums. Most of the payments were in the five- to six-figure range. And one enterprising consultant — direct-mail list generator Dan Siwulec Communications — was listed as a consultant for *both* sides.

"Was there a political consultant that *didn't* make money off of Proposition 5?" quipped Jim Knox, executive director of California Common Cause.

The bulk of the money shelled out by the campaigns passed through the "lead" consultants. Winner/Wagner and Mandabach, a Los Angeles-based firm known for gaming initiatives, received a little more than $40 million of the $63 million spent by the "Yes on 5" campaign. Goddard Claussen, the lead media consultant for "No on 5," received more than $20 million of the $25 million spent against the initiative. But now that you've climbed back into your chair, here's the rest of the story: Most of that money goes right back out again to direct voter outreach, specifically television (more about that later). This is revealed when each consultant – large and small – reports what it pays to its outside vendors for everything from commercial production to catering.


Spreading the Wealth
Payments made by major Proposition 5 campaign committees
Yes on 5
Californians for Indian Self-Reliance
$2,134,484 Direct Mail
$2,485,905 Radio Stations
$1,351,490 Other Payments**
$2,188,848 Slate Mailers
$11,356,845 Signature Gathering
$32,740,387 Television Stations
$10,753,126 Consultants*
No on 5
Coalition Against Unregulated Gambling
$1,998,000 Slate Mail
$120,527 Radio Stations
$9,177,818 Consultants*
$14,150,890 Televison Stations
* Gross payments to consultants, excluding those for television, radio and qualification costs
** Includes other media advertising as well as general overhead
Source: Schedules E and G, Fair Political Practices Commission forms, filed with California Secretary of State

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Shorn of these expenses, the actual fees earned by consultants on both sides are a little less imposing. Consultants on the "yes" campaign earned fees totaling about $8 million.

Another $6 million went to consulting firms who worked to qualify the measure for the ballot. On the opposition side, about $6 million went out the door in consulting fees. In each case, the totals work out to about a quarter of the total campaign spending (see chart, page 35 for breakdown of how much was earned by each firm).

Does this money all go to Swiss bank accounts and Spanish villas? Not exactly. In addition to their payments to vendors, the larger firms must pay their own staffs and internal expenses. Winner/Wagner did its media production in-house and had to coordinate its efforts with the tribes, who had their own independent political operation. "We were not just given a blank check," said Winner/Wagner's Paul Mandabach. "We had a pretty sophisticated client." Goddard Claussen also did its production in-house. While initiatives may bring in better money than candidates, they are still expensive and time-consuming to manage.

"You get a big chunk of work and a nice fee, but the time, effort and energy is enormous," said Donna Lucas, partner in Nelson Communications, which co-managed the opposition effort with Goddard Claussen. "I estimate we did about three times the amount of work we billed for."

Television? The word is half Latin and half Greek.
No good can come of it.
— C.P. Scott

If, as they argue, the consultants work hard for their money, where is the fatted calf in the initiative business? It's as close as the glowing box in the living room. Television advertising represents the single biggest cost of running a contested statewide initiative. In the case of Proposition 5, the aggregate payments just to television stations alone for both sides approached $47 million. As might be expected, the stations that rake in the biggest hauls are in major media markets, especially Los Angeles. One station — KABC-TV in Los Angeles, the area's NBC affiliate — made a total of $5 million from the Proposition 5 campaign: $3.4 million from the "yes" side, and another $1.1 million from the "no" side. But because of its seemingly limitless wealth, the "yes" side was also able to extend its reach to just about anyone with an antenna and a broadcast license. Stations in places like Redding, Clovis, Salinas, even Yuma, Arizona, all got a piece of the Proposition 5 action.

"It's traditional that you spend more on television," said Mandabach, "especially [with] a 'yes' campaign ... on an issue that has no direct bread-and-butter help to the public, when you have paid opposition on the other side."

Even the sheer dollar amounts don't tell the entire story. Television executives are often heard to groan about how much time they must give over to political commercials during the campaign season — time that can't be sold to a car dealer or beer company. But 'twixt the lines of those complaints is a little-known detail: While time for candidates must by law be offered at wholesale rates, the same rule doesn't apply to initiative advertising. Thus, supporters and opponents of Proposition 5 — and every other ballot proposition for that matter — were forced to pay top dollar for every spot they ran. Moreover, those involved with the advertising say the rates actually went up as election time drew closer.

"I'm aware of broadcasting seminars where they talk about political campaigns as 'making their year,'" said Goddard Claussen's Frank Shubert. "I have seen the price of television triple as a campaign has progressed."

Television is also the area in which critics of the process take issue with the consultants' proclamations that they are just hard-working stiffs. Those firms that are in the business of placing and buying advertising time charge the campaign a commission on every ad they sell. Most consultants say the industry standard is 15 percent and, according to the campaign spending reports, that's about what was made by Target Enterprises, the media-buying firm used by the Yes on 5 campaign. Goddard Claussen's arrangement with the opposition combined a somewhat lower commission with a flat fee for management services. Common Cause's Jim Knox says this "kickback" is the consultants' "dirty little secret."

"That's easy money," said Knox. "All they do is make the call and place the ad. The profits are enormous."

This is the Night Mail crossing the Border
Bringing the cheque and the postal order.
— W.H. Auden

The efficacy of slate mail in modern political campaigns is the stuff of break-out sessions at national political consultant conferences. Slates — mass-mailed post cards that advise recipients how to vote on a range of candidates and issues — come in all shapes and sizes, and many are targeted to particular constituencies. Many political professionals argue their usefulness to voters is overrated, but with a campaign as high-stakes as Proposition 5, no stone was left unturned. Thus, the two sides spent millions to buy slots on slate mailers, and in some cases, actually got wrapped up in bidding wars for the right to appear on the choicest slate cards.

"Slates are a necessary evil," said Lucas. "You're damned if you do and damned if you don't."

The slate-mail war was the one area where the "no" side's spending was comparable to that on the "yes" side — each spent roughly $2 million to buy their way onto slates. Each side also sought to extend its slate-mail presence across the political spectrum. The "yes" side purchased a spot on such disparate slates as the Harvey Milk Lesbian/Gay/Bisexual Democratic Club and the Orange County-based Continuing the Republican Revolution. The opponents also ran the gamut — everything from the ultra-conservative California Republican Assembly to the San Francisco Democratic Central Committee.

While the mail campaign of opponents was largely

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limited to its heavy presence on slate cards, the backers of Proposition 5 had their own direct-mail campaign running even before they had qualified their measure for the ballot. It began with an unprecedented $8.5 million blitz, orchestrated by Winner/Wagner subcontractor Michael D. Meyers Company, to blanket the state with mailed petitions to sign and return. Meyers' campaign was responsible for about half of the signatures gathered to get the initiative qualified. Another $2 million worth was mailed during the general election, including a $715,000 campaign aimed at Latinos. When there's this much mail floating around, there is really only one big winner — the U.S. Postal Service. Direct payments from the "yes" campaign and its subcontractors to the USPS totalled more than $2.5 million, and that doesn't include Proposition 5's share of the postage cost for the slate mailers, which varied based on how much of the slate was underwritten by the campaign.

There is some ill a-brewing towards my rest.
For I did dream of money-bags tonight.
— William Shakespeare

So who, other than consultants, broadcasters and

Proposition 5's legacy

California Indian gaming wars are changing the face of initiative politics

by Steve Scott

It was an experience that can be stunning, even when it's expected.

On August 24, the California state Supreme Court struck down Proposition 5, the 1998 Indian gaming initiative approved by more than 62 percent of voters. According to the court, the measure violated a provision of the California constitution — specifically, the 1984 state Lottery Act (also approved by voter initiative) that banned casino-style gambling in California. In a 'twince, six of seven state justices had rendered moot a campaign that spurred more than $90 million in total spending — the most expensive single initiative campaign in United States history.

The court's decision prompted a lot of finger-pointing at those who had brought Proposition 5 to the ballot in the first place. Many suggested the $66 million the tribes spent to pass the initiative had been wasted. Some said the consultants who ran the campaign on behalf of the measure didn't do well by the coalition of Indian tribes who'd essentially given them a blank check. "The consultant who told them to put it on as a statutory [rather than constitutional] initiative should be sued," sniffed one Democratic Party insider.

But while Proposition 5 may be little more than a

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Uncle Sam's postal service, benefits from a campaign on the scale of Proposition 5? A more appropriate question is: Who doesn't? As mentioned earlier, an army of consultants helped the campaign slice and dice the electorate, arranging outreach and organization toward particular interest groups. But the campaign spending reports also identify what might be called the broader economic impact of a big-money campaign.

Consider the cost of producing the television commercials, a cost not included in the above figures for buying television advertising airtime. In addition to their own in-house costs, the media consultants must find actors, locations, sets, editing and dubbing facilities, sound specialists, music, stock footage, photos, *yadda, yadda, yadda.* Despite having its own production facilities, Goddard Claussen lists more than $1 million in TV production costs, including a payment to a weather forecasting service, presumably to ensure the location shots wouldn't be hampered by rain. Film processors do quite well, as do casting agencies (including one called "Characters on Wheels") and, this being Los Angeles, caterers.

Another big winner in the secondary economy is the

memory in legal terms, the campaign waged over it last year has, in the minds of many, left a permanent footprint on the initiative process, both for California and the other 25 ?? states around the nation that use the citizen initiative provision.

In the most immediate sense, Proposition 5 set new standards for qualifying initiatives for the ballot, raising the bar on how much time and money it takes to get the job done. Conventional wisdom has put the cost of qualifying an initiative in California between $1 million and $1.5 million, and the time-frame for gathering signatures at two to three months. Pressed for time, the tribes and their backers poured an astonishing $10 million into the qualifying effort. In addition to traditional petition signature gatherers, the tribes launched an unprecedented television and direct-mail campaign to ensure qualification.

The result was more successful than even the tribes and their political consultants had anticipated. Instead of the 800,000 signatures they expected, the campaign attracted more than 1.2 million signatures — enough to have qualified a constitutional amendment rather than the lower-level statutory initiative, and possibly to have avoided last month's court disappointment.

"It was precedent setting because they qualified a statutory initiative in less than 30 days," said Donna Lucas, partner in Nelson Communications, one of the consultants who worked against Proposition 5.

The effect of the measure's big-money qualification drive was on display this summer as initiative proponents sought to qualify measures for next March's state primary ballot. Several Johnny-come-lately initiatives shelled out huge amounts on signature gathering and direct-mail pitches in an effort to speed up signature-gathering. Three of the four measures that beat the deadline spent at or near $2 million, and one spent more than $3 million. Bounties for paid signature gatherers, traditionally running at between 50 cents and $1 per signature, went as high as $4 per signature as the late-August deadline for submitting signatures approached.

Proposition 5 also set new standards in the timing and sophistication of its television advertising strategy. Television ads on behalf of the initiative began airing in June — some five months before the election. Consultants for the losing side concede the early television ads, in conjunction with the pre-qualification campaign, allowed the tribes to frame the gaming issue on their terms. With the help of their personable pitchman, tribal leader Mike Maccaro, the tribes were able to accomplish a remarkable political feat: In the process of outspending opponents by more than two-to-one, the tribes made themselves look like the underdog.

"People felt like Indians had been screwed for 200 years, and here was something that helped pay them back," said one consultant.

Interestingly, most involved with the initiative process don't see the total sums spent on the campaign as being particularly ground-breaking. Robert Stern with USC's Center for Government Studies says that the $70 million campaign waged by the insurance industry on several initiatives in 1988 was, by 1988 dollar values, actually more expensive than Proposition 5.

"Proposition 5 was somewhat of an aberration," said Stern. "It's raised the bar, but not that much."

Unless, of course, you also look closely at how California Indians augmented the proposition campaign with another, huge $5 million investment in backing political candidates. The combined tribal donations to Governor Gray Davis' election campaign topped seven figures, and sizeable contributions were also made to Attorney General Bill Lockyer, whose office is involved with the regulation of the state's non-tribal gambling. Wealth was also spread to legislative campaigns. Assemblyman Tony Cardenas (D-San Fernando), considered an aspirant for the Assembly speakership, received close to $500,000 alone.

These contributions are seen as a major factor in the willingness of the Legislature's leaders, and the governor, to virtually drop everything in the last two weeks of the 1999 legislative session to rush toward negotiating a legislative pact satisfactory to the tribes. They, as much as the initiative itself, have established the gaming tribes as first-tier players in the political influence sweepstakes. In historic terms, this may be the most lasting effect of the 1998 California gaming wars.

After centuries of being told by distant political leaders where to go, now, it seems, the tribes are the ones delivering marching orders.

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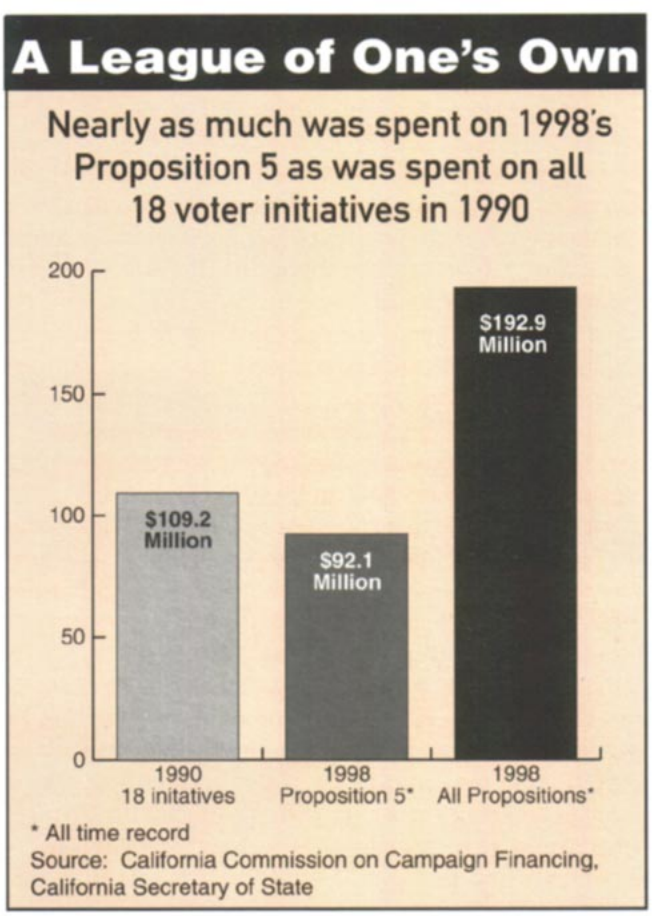
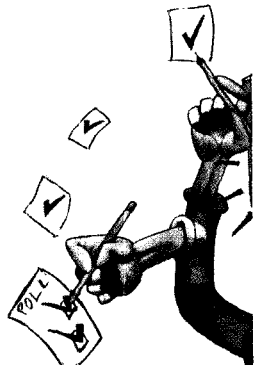
travel industry. Hotel accommodations are listed extensivly, and there are a whole lot more Hyatts and Hiltons than Holiday Inns on the list. Most of the major subcontractors also report spending a thousand bucks or more in air fares. Winner/Wagner lists about $29,000 in air travel costs. Car rentals and airport limousine services are also popular, as are parcel and overnight mail services, such as UPS or Federal Express. Printers also do very well by political campaigns. The "Yes on 5" report shows nearly $1 million in printing costs for the campaign itself. Though technically listed as consultants, both campaigns paid six-figure sums to political law firms to act as their treasurers and legal advisers. These treasurer/lawyers track everything from bookkeeping to libel exposure to campaign reporting laws for their committees, which are set up as non-profit corporations.

"What you do is create a company, worry about the bills being paid, track everything," said Chip Nielsen, whose firm Nielsen Merksamer, *et al,* acted as treasurer for the No on 5 committee. "Then you have a sale on one day, [Election Day] and you go out of business."

There are literally dozens of other categories on which to spend money. One consultant on the "yes" side lists a $548 payment to Balloon Wholesalers International, presumably to doll up a news conference or special event. And, in the interest of full disclosure, it should be noted that opposition media consultant Nelson Communications lists a payment of $875 to State Net, the parent company of *California Journal.*





"A lot of people don't understand why campaigns are so expensive," said Kim Alexander, president of the non-partisan California Voter Foundation. "One of the reasons we're looking forward to online disclosure is because it will help people understand how the money is spent."

Our political experiment of democracy [is] the last refuge of cheap misgovernment.

— George Bernard Shaw

Clearly, the California initiative process isn't cheap. But is it "misgovernment?" For some, Proposition 5 stands as a virtual case study in "misgovernment." More than $90 million was spent between two competing special interests, and all to give six state Supreme Court justices the opportunity to toss it in the trash. Nothing, it seems, was accomplished, except to provide the Proposition 5 participants with yet another opportunity to drink from the trough.

"They spent an ungodly amount of money passing the wrong thing," said Knox.

Those involved with the system, however, say its pricetag is a function of the cost of communication in a state the size of California. They also note that spending on the initiative process is justified because the process deals with important issues — issues that state government too often ignores.

"The reality is there are consultants that are well compensated, when there's a lot at stake," said Mandabach. "The lawyers in the tobacco settlement made a lot of money. Was there a lot at stake? Yes."

Even would-be reformers concede the cost of the process is something that probably can't be contained. For one thing, First Amendment issues keep the state from implementing the types of restrictions imposed on candidate elections. Though many have called for more complete disclosure laws, even these probably wouldn't have made much of a difference in the Proposition 5 example, since voters were generally aware of the interest groups involved.

Still, judged purely on the basis of electoral success, the victors got what they wanted from the army of worker bees who toiled on their behalf. After a 15-year absence from California politics, Winner/Wagner and Mandabach re-established itself as a force in the state's initiative process. Perhaps more significantly, the tribes won a ballot proposition that few political professionals believed they could, and in the process made themselves into a major player in California politics.

"Usually, you can't buy your way into winning," said Bob Stern of USC's Center for Government Studies. "They did."

Steve Scott is political editor and Melissa Mikesell is a research assistant for the California Journal. *Comments may be e-mailed to* edit@statenet.com.

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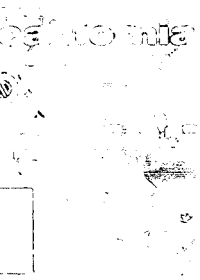

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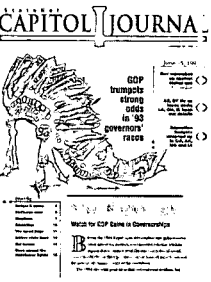

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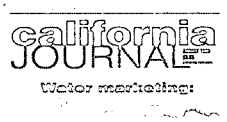

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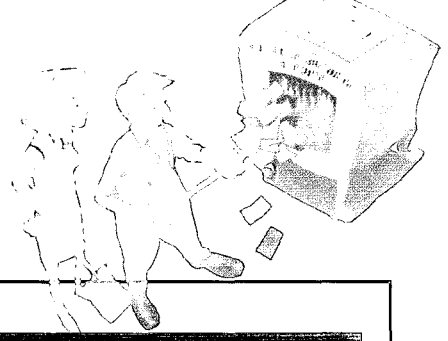
A Very Good Year

Nearly 100 different businesses received more than $100,000 for their work on the Proposition 5 campaign



Television/Cable Stations

PROVIDER	SUPPORT/OPPOSE	TOTAL RECEIVED
KABC-Los Angeles	Both	5,025,267
KNBC-Los Angeles	Both	4,774,462
Cable Scope	Support	4,507,120
KCBS-Los Angeles	Both	3,780,302
KGO-San Francisco	Both	3,292,675
KTLA-Los Angeles	Both	2,607,097
KTTV-Los Angeles	Both	2,280,760
KPIX-San Francisco	Both	2,232,309
KTVU-Oakland	Both	1,974,687
KCRA-Sacramento	Both	1,516,657
KNSD-San Diego	Both	1,498,245
KGTV-San Diego	Both	1,150,962
KXTV-Sacramento	Both	1,058,326
KFMB-San Diego	Both	968,185
Adlink	Both	917,940
KNTV-San Jose	Both	731,506
KOVR-Sacramento	Both	724,380
KCOP-Los Angeles	Both	634,585
KFSN-Fresno	Both	586,327
KCAL-Los Angeles	Both	523,847
KTXL-Sacramento	Both	413,927
XETV-San Diego	Both	401,697
KUSI-San Diego	Both	332,332
KJEO-Fresno	Both	295,866
NCC (Cable)	Oppose	262,224
KBWB-San Francisco	Both	259,245
KSEE-Fresno	Both	255,600
KSBY-San Luis Obispo	Both	245,472
KRON-San Francisco	Oppose	245,331
KSBW-Salinas	Both	226,779
KCOY-Santa Maria	Both	185,323
KEYT-Santa Barbara	Both	182,762
KESQ-Palm Springs	Both	176,144
KQCA-Sacramento	Both	161,602
Fox Sports West	Oppose	148,750
KMIR-Palm Desert	Both	140,832
KBAK-Bakersfield	Both	139,945
KGET-Bakersfield	Both	139,210
KCBA-Salinas	Both	121,338
KIEM-Eureka	Both	111,158
KBHK-San Francisco	Both	111,090

Other

U.S. Postal Service***	Both	2,576,981
Eller Media	Support	402,120
Action Payroll	Support	266,513
United Broadcast Services	Support	285,000
Nouveau Flichards	Support	224,323
Hollywood Digital	Oppose	206,520
Novocom	Oppose	183,402
KFI-AM	Support	156,615
Marketplace Media	Support	118,970
Salem Radio Reps	Oppose	100,000

Consultants*

PROVIDER	SUPPORT/OPPOSE	TOTAL RECEIVED
Michael Meyers Company	Support	4,883,339
Target Enterprises	Support	2,819,587
Goddard Claussen**	Oppose	3,229,616
Aaron Group	Support	1,596,861
Winner/Wagner Mandabach	Support	1,497,571
Fairbank Maslin	Support	1,073,015
Crowshaw Printing	Support	853,436
Direct Communications	Support	740,827
Centaur North	Support	707,017
Nielsen Merksamer	Oppose	655,471
Reed and Davidson	Support	521,297
Nelson Communications	Oppose	425,724
National Petition Management	Support	330,739
Robert Barnes and Associates	Oppose	258,758
Peter Hart Research	Oppose	242,867
Political Data, Inc.	Support	233,611
AMS Response	Support	223,284
Joe Shumate and Associates	Suport	162,698
Michael Galizio	Support	159,848
AC Public Affairs	Support	156,780
Glazer and Associates	Support	145,111
Voter Consumer Research	Oppose	139,845
Stabins Design	Support	124,662
Strategyworks	Oppose	117,722

Slate Mailers

COPS Voter Guide	Oppose	700,000
Voter Information Guide	Support	224,000
Firefighters Legislative Action Group	Support	220,000
L.A. County COPE	Oppose	202,000
California Voter Guide	Support	175,000
Citizens for Representative Govt.	Support	160,000
California Professional Firefighters	Support	160,000
Coalition for Seniors Security	Support	158,906
Continuing the Republican Revolution	Support	157,428
L.A. Vote	Support	150,000
Californians in Action	Support	125,000
Team California	Oppose	125,000
California Republican Assembly	Oppose	125,000
Voter Education Project	Oppose	120,000
Voter Guide Slate Mail	Oppose	104,000
Your Ballot Guide	Support	102,000
For Our Kids	Oppose	100,000

Figures as of 12/31/98

*Consultant figures reflect total payments minus expenses above $100

**Figure does not include approximately $1.3 million transferred to subsidiaries Capitol Ventures and First Tuesday

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Mr. Mayor goes to

Lawyers, move over. Make room for mayors. The men and women who have been banging gavels at city council chambers and county meeting halls up and down the state are getting elected to the California Legislature in ever greater numbers. They now rank, in fact, as the fastest-growing segment of freshmen lawmakers.

And when they arrive at the Capitol flush with plans to change government for the better, they also come with bitter memories of the state mandates that saddle local budgets with demand after costly demand.

The mayors are coming, the mayors are coming. And so are the "supes." In this era of revolving-door government, locals are storming the Capitol. The prime question is this: As more and more local officials leave city hall for the statehouse, will they succeed in winning the financial salvation their home cities and counties desperately seek?

By Kathleen Les

Historically, a fair number of legislators have cut their teeth on city- or county-level government, but never before have so many descended upon Sacramento at once. Last fall, a record number of 18 rookies with local politics on their resumes took seats in the California Assembly. In the state Senate, one-quarter of all senators have local government backgrounds. The trend is likely to continue, fueled by the constant stream of opportunity that term limits provides in this turnstile form of representative government embraced by California voters.

In the Assembly, where the vast majority of bill proposals are generated, no fewer than eight former mayors and three former vice-mayors now serve. Add to that another 10 Assembly members who sat on their hometown city councils, some for as long as a decade, and nine who served stints on their county boards of supervisors – and you have a ready-made mix of local government champions. Nearly all came to the Capitol with first-hand experience with the consequences of the massive property tax grab implemented by Governor Pete Wilson in 1992, which siphoned off $3.6 billion annually from cities and counties for the state budget. That move, perhaps more than any other, inspired many a local official to run for a spot in the state Legislature.

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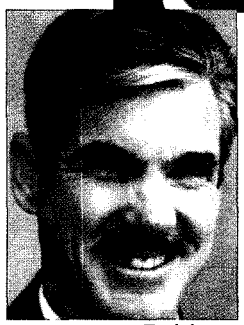
"Honest to God, almost everybody told me I was beating my head against the wall,"
— recollected Assemblyman John Longville.

Aguiar



Torlakson

Local Government Caucus Is Born

This year, spurred by the clout of their boosted numbers, a determined movement led by local government veterans in the Legislature resulted in the return of $150 million of those property tax dollars lost through Wilson's shuffle to an Educational Revenue Augmentation Fund shift – or ERAF, as the raid is commonly known.

Leading the charge was a local government caucus formed three years ago by Assemblyman Tom Torlakson (D-Antioch) and former Assemblyman Mike Sweeney (D-Hayward). Until the founding of the caucus, state legislators loyal to local government held little sway with fellow lawmakers. Mayors and former city council members who came to Sacramento eager to help their cash-starved municipalities back home were thwarted once under the Capitol dome, where legislative leaders tended to champion the needs of the state.

But Torlakson and Sweeney, both fresh from stints in local government — Torlakson was a 15-year Contra Costa County supervisor, and Sweeney spent 12 years on the Hayward City Council — intended to turn the tide toward local government. As soon as they began calling regular meetings of some 30 Assembly members concerned about the funding burdens of cities and counties, the new caucus quickly transcended party lines. Republicans favored greater local control and Democrats sought funding for more local programs. For the first time, there was power in numbers of those who agreed the state should send more property tax dollars back to local governments.

That first year, with the help of then Senate President Pro Tempore Bill Lockyer (D-Hayward), a sum now equal to $472 million annually was released to help counties pay for their ongoing costs of running state courts, long a sore point for those struggling to balance their state-mandated responsibilities with cash-strapped budgets. "This was the first sign that local government relief measures, long overdue, were on their way," said Torlakson.

But the money came with strings attached – and it was as far as the Legislature and Wilson were willing to go. For another two years, despite steadily mounting surpluses in the state budget, the Legislature, stymied by Republicans more interested in tax cuts, refused to return property tax dollars to locals. During that time, several quick fixes helped lighten the financial load of local governments. Proposition 172 earmarked one-half cent in sales tax revenue for public safety, $100 million was appropriated to pay for police services and authorization was given to reduce general assistance grant levels – all of which continued the practice deplored by local officials and begun with Proposition 13 that enables the state to dictate how locals spend money from Sacramento.

Finally Some Free Money

But this year was to be different. Assemblyman John Longville (D-Rialto) hit the ground running when he arrived in Sacramento after his election last year. With 18 years under his belt on the Rialto City Council, 11 of those as mayor, and a host of experience on regional boards and commissions, Longville immediately scored a plum position as chair of the Local Government Committee.

Together with Torlakson, Longville kept alive the momentum of the local government caucus, now an even more potent force with its strengthened post-election membership. Early in the year, the caucus benefited from the extra energy of those not directly preoccupied with Governor Gray Davis' education reform measures: About two dozen members with time on their hands were happy to attend weekly meetings of the caucus. Together the bipartisan group worked out its strategy for the session – returning locally generated money back to its source.

But even with the efforts of a cadre of local government veterans, many were skeptical that municipalities would get anything but the short end of a budget deal. "Honest to God, almost everybody told me I was beating my head against the wall," recollected Longville. "They all said [former Assemblyman Mike] Sweeney and [former Assemblyman Fred] Aguiar tried to do that and they got nothing."

But this year's state budget was fattened with $3 billion more than budget forecasters had anticipated, making it harder for leaders to turn away cities and counties yet another time. Hopeful that the new governor would see things his way, Longville set as his goal a minimum of $100 million in payback funds to help make up for the ERAF shift.

Ultimately $220 million was freed up, with $150 million to be shared between cities and counties, $50 million to cities as reimbursement for jailhouse booking fees and $20 million for libraries.

"For the first time since ERAF was imposed, we got discretionary revenue back to locals. It's a respectable amount," said Longville, while also acknowledging that the one-time lump sum is paltry compared to the $449 million that cities and $625 million that counties have been slighted each year in ERAF maneuvering.

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Coming Next - The Big Fix

ngville

Runner

But many saw the payback for what it was – little more than 10 percent of the money local governments would have received before ERAF. To those critics, the $220 million sent back to local governments was almost too little too late.

Again, this year, lawmakers declined to altogether reverse, or even cap, the amount shifted from local governments by the state to help pay for schools. "In a year following two years of surpluses, it just didn't make a lot of sense to give local governments back money and at the same time continue taking money away through ERAF," said Assemblyman George Runner (R-Lancaster), also a former mayor, and a member of the budget conference committee who pitched a larger share of the surplus for local communities.

Runner believes the local government caucus folded its cards too early. What's needed, says Runner and others like him, is a steady stream of reliable and recession-proof dollars to fuel cities and counties.

Democrats and Reupublicans alike were disappointed when Governor Davis signaled his unwillingness to part with any more money for local governments this year until the underlying funding bind could be addressed. Despite campaign promises to reverse ERAF and end the "fiscalization of land use" that has cities scrambling to attract big-box retailers and auto malls, Davis has said he favors no more short-term pay backs from the state until the whole knot of state and local government fiscal relationships can be reworked.

There is no shortage of state officials wrestling with ways to achieve a big-picture solution. Many doubt that fortifying the local revenue stream is even high on Davis' priority list. Nevertheless, five special committees and commissions are exploring strategies to strengthen the fiscal power of cities and counties. Democratic state Controller Kathleen Connell recently unveiled her recommendation to send sales taxes back to local government on a per capita, rather than a point-of-sale basis, thereby reducing the competition between cities for Walmarts and Targets. Assembly Speaker Antonio Villaraigosa (D-Mount Washington) has a special commission at work on the topic. And Davis himself has convened a group to assess how to fund infrastructure at the local and state level – with the intent of fixing the state-local fiscal relationship.

But until the League of Cities and the California State Association of Counties come forward with their recommendations, lawmakers – even those who count themselves as fervent local government advocates – are likely to hesitate. Both associations strongly criticize the property tax shift, but both have yet to offer any sort of big-fix plan.

"The problem is there are always winners and losers," in any plan, said a frustrated Runner. "And I do not believe until the cities and counties embrace a plan that you'll see the Legislature move forward."

What the future portends

One politician who's already been down the state path and returned to his local government roots thinks that no matter what big fix is in store, the state ought to pay back what it has taken over the last seven years from cities and counties. "It's a wonderful goal to solve the complexities of the [state and local] fiscal relationship, but you have to get local governments back to ground zero," said San Bernardino County Supervisor Fred Aquiar, who as a former Democratic assemblyman last year authored a failed bill to gradually phase out the ERAF property tax shift over a 10-year period.

With lawmakers now on limited stays in Sacramento, programs and initiatives, once the sacred cows of long-term legislators who fought for their birth, will no longer have patron saints to guard them. Instead, newcomers at the statehouse may well want to make their mark retooling the underlying fiscal system at the local level, where more and more politicians are heading after their terms are up in Sacramento. For now, legislators remain optimistic, though disconcerted that this year's take for local governments wasn't meatier.

"The fervor in the local government caucus is real and there is good bipartisan effort there," remarked Torlakson. But if refunding just a portion of the property taxes shifted from local governments proved tough, it's a sure bet that lawmakers will find concocting a more fundamental solution an even more overwhelming task.

Kathleen Les is an associate editor of the California Journal. *Comments on this story may be sent to* edit@statenet.com.

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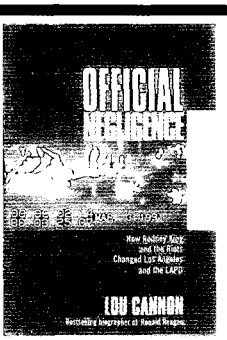

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Feinstein towers over would-be GOP challengers

Demoralized after its 1998 election debacle, the GOP has raised only a thin crop of candidates willing to take on California's senior U. S. senator. Do they have the right stuff?

By Anthony York

As campaign 2000 gets underway, Republicans are struggling to bounce back from the thumping they received in 1998. In sports, they call years like this rebuilding years. Some California Republicans are calling it "The Day After" – a reference to the post-apocalyptic Cold War television movie from the 1980s. But the apparent Republican blueprint for political resurrection in California calls for rebuilding from the top down, betting everything on getting a Republican into the White House to eventually help break the Democratic stranglehold on the nation's largest state.

That becomes evident when scouring the list of Republican candidates for the U.S. Senate for Campaign 2K. Even those remaining on the Republican bench after 1998 — when California became one of three states with a Democratic governor, two Democratic U.S. Senators, and Democratic Legislature — have taken a pass at the run, leaving GOP leaders to scour in the minor leagues for candidates.

After suffering a stiff rebuke from voters across the state, particularly the state's emerging Latino vote, the battle-scarred Republicans quickly went looking for a presidential candidate to lead them out of the wilderness. Most have settled on Texas governor George W. Bush, who earned nearly half of his state's Latino vote the same year Dan Lungren helplessly watched the Latino exodus from the California GOP. Arizona Senator John McCain, who has enjoyed strong support from Latinos in his home state, also has clocked serious early stump time in California, and is emerging as the primary alternative to Bush. But amid the party's laser focus on the presidential race, a pair of political understudies suddenly find themselves cast in the leading roles on the statewide stage to challenge Democratic senator Dianne Feinstein. And while everybody in the GOP insists that Feinstein is beatable, the top Republicans in the state have apparently all decided to take a pass, leaving two arch conservatives with no statewide name recognition to take her on.

It didn't have to be this way. For a while, it looked as though California would have one of the season's most hard-fought – and entertaining – senatorial squabbles. Glendale Representative James Rogan, who obtained celebrity status within GOP circles during his head-to-head combat with White House aide Sidney Blumenthal in the impeachment

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trial, was poised to enter the fray. But his adopted young twin daughters have both been diagnosed with epilepsy, and Rogan and his wife, Christine, decided that family concerns trumped any possibility of a statewide run.

The other two most commonly mentioned potential candidates – Secretary of State Bill Jones and Insurance Commissioner Charles Quackenbush – have decided they are not ready for prime time, opting to wait until 2002 to plot their next political move.

"There's obviously an element of shell shock," said one state Republican strategist. "Jones and Quackenbush were the only two Republican survivors of the carnage of 1998. I'm not so sure how eager I'd be to jump right out there two years later and put my neck on the line."

Also taking a pass was Noel Irwin-Hentschel, who moved from complete obscurity to mere relative anonymity with a lackluster bid for California lieutenant governor last year. Hentschel was among those candidates being pushed by state Republicans seeking a candidate who meshes more closely with Bush's compassionate conservatism than a hard-right bomb-thrower. But the independently wealthy Hentschel, like other presumptive candidates, didn't have the stomach to take on Feinstein.

That reluctance translates into a virtual free pass for California's notoriously thin-skinned senior senator. The campaign will be Feinstein's fourth race in 10 years. And while campaigning has been a mainstay for Feinstein throughout the '90s, it is hardly a hobby. Feinstein was shaken by the $30 million blitzkrieg launched against her by Santa Barbara Representative Michael Huffington in 1994. In a year which saw Pete Wilson coast to re-election on the back of Proposition 187, Huffington blasted away on everything from Feinstein's husband's business dealings to her "knowingly employing an alien." Though considered a popular moderate, who enjoyed support from high profile Republicans such as Los Angeles Mayor Richard Riordan and former baseball commissioner Peter Ueberroth, Feinstein barely survived the Republican's onslaught, winning by only two points.

The campaign took such a toll on Feinstein that she sat out a run for California governor last year, paranoid that another millionaire – Democrat Al Checchi – would spend another wad of cash on another character assassination attempt. As it turned out, Checchi and his millions went down in flames and Gray Davis led a Democratic charge that all but decimated the Republican party statewide. The lack of a bench of viable candidates, coupled with the prospect of taking on a popular Democratic incumbent, has pushed the California senate race way down on the priority list for Senate Republicans. California, with its 11 media markets, is also the most expensive state in which to run a political campaign, providing even more encouragement for Republicans to look elsewhere.

Without Rogan's fundraising ability, the Republican lance will fall to either unknown state Senator Ray Haynes, or County Supervisor Bill Horn, both of whom represent the same enclave of northern San Diego County. Horn, an avocado rancher, has already kicked in $300,000 of his own money to the campaign, and likely will be called upon to self-finance much of his run. Haynes, meanwhile, will be

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more dependent upon traditional methods of fundraising, though he admitted that "I'm not a particularly good fundraiser."

Though Republicans have typically run into problems in California on issues like guns, abortions, tobacco and the environment – what Democrats call the GATE strategy – Haynes is convinced that a different set of issues will motivate California voters next November, and that among them, "taxes will be the No.1 issue."

"We've had too many candidates who have run away from the conservative message," Haynes said. "We need to focus on the Republicans' agenda of liberty – taxes ought to be less, government ought to be smaller. Government can't solve everyone's problems. The welfare state has failed, parents ought to have control and say over how they raise their children."

While drawing contrasts between himself and Feinstein, Haynes says there is also a big difference between himself and the last Republican standard bearer to take on Feinstein. " I don't have any fortune of my own," Haynes said. " But I do have a strong record I can point to. Money is going to be an issue for me. It is the gasoline for politics. Huffington showed what happens when you've got a lot of gasoline and no engine. If the money is there for me, there's no question that I'll beat Dianne Feinstein."

Horn was the first candidate to declare against Feinstein. He said support for a flat tax and increased military spending will be the centerpiece of his campaign. Undoubtedly, that means Feinstein's continued support for most-favored-nation trade status for China, and her husband's business dealings in that country, will become a campaign issue.

"Deep defense cuts combined with long, reckless overseas deployments have produced an exodus of hard-to-replace officers and senior enlisted men," Horn said when he announced his candidacy. "We are in bad shape." The task ahead for Haynes or Horn will be daunting. In a recent Field Poll, Feinstein earned 54 percent of all votes, compared to 12 percent each for Haynes and Horn. Twenty-three percent of those surveyed said they were undecided. Feinstein even received 22 percent of the Republican vote, while 25 percent said they would support Haynes, and 22 percent said they would vote for Horn.

For both men, the political kamikaze mission is about as close to a no-lose proposition as you can get. It will be a chance to get some good old-fashioned conservative ya-yas out, and blast away at Feinstein under the shroud of diminished expectations. And for whoever earns the nomination, a formidable showing next fall could lift the prospect of another statewide run in 2002. That holds a particular enticement for Haynes, who will be facing term limits that same year.

"This definitely has the feel of a dry run," said another Republican strategist who also demanded anonymity. "It's hard to envision a scenario where either of these guys beat Feinstein, but if they make a reasonable run of it, it could certainly boost their chances for the future."

Anthony York is associate news editor for Salon.com. *Comments on this story may be sent to* edit@statenet.com.

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letters

Candidate John McCain

I subscribe to *California Journal,* enjoy it and learn from it. However, what I got out of Dana Wilkie's column *(DC Perspective, September 1999)* calling John McCain's quest for campaign reform hypocritical, is this: No person who lives under the rules – as they are – can be trusted to improve them. In order to earn that trust you must first render yourself ineffectual. Is this for real?

Barry Keene, former state senator
Sacramento

Revisiting Ron Unz

Your article titled "Gadfly Extraordinaire" (August 1999) has sparked my interest in the politics of Ron Unz. Perhaps I was too quick to criticize him as a right-wing kook. At the very minimum, we agree on the need for campaign finance reform.

Everyone cries that campaign finance reform is inconsistent with the First Amendment. And when the subject of the public financing of campaigns comes up, everyone cries it would be a waste of taxpayers' money.

However, no one ever talks about taxing political donations and using the proceeds for funding political campaigns.

Maybe this approach has merit.

Tony Roggero
Glendale

Water Marketing

It's not that farmers have "extra" water, whatever that is. The thing that makes water markets possible, not mentioned in your article, *("Water marketing: Let's make a deal," August 1999)* is that a lot of agricultural uses of water earn so little money per unit of water. If farmers were earning big bucks per acre-foot, water markets to transfer water from agricultural to urban use would not have such a logical solution.

George Goldman
Berkeley

Union commentary

I found your article *("State of the State," August 1999 commentary by Lance T. Izumi)* both lacking explanation and manipulative.

First, the taxpayers of California are concerned not only with low costs for state projects, but also that workers involved in these projects are paid a livable wage and benefits. If private firms are bidding the lowest bid, chances are they are paying low wages and little or no benefits.

California unions may be looking for union-only agreements but that is also because union jobs pay a liveable wage and benefits.

Your article points in the direction of removing unions and returning to the sweatshops, 16-hour, six- or seven-day week, with no minimum wage or benefits.

Kasmir J. Zaratkiewicz
Oakland
Service Employees Union International

In the August 1999 edition of the California Journal, contributing editor Lance Izumi sounded an alarm: "Unions are flexing their political muscle....The clock is being turned back on government/labor policy."

Whoa! What next? The end of Western Civilization? A return of the Ice Age? Both?

What's wrong with labor winning a few? There's a lot of catching up to do. California's unemployment and disability insurance are striking examples. Unemployment has not been increased for seven years. California's benefit of $230 per week ranks 42nd among states. Disability is almost as bad. It hasn't been boosted since 1991.

Let's hope that Mr. Izumi's worst fears come true. California will be a better place to live.

Chuck Mack,
Oakland
International Brotherhood of Teamsters

Teaching morality

I spent eight years in a religious elementary school.

As a teenager, I did things which I regret as morally reprehensible, but as my religious teachings told me they would be forgiven, I easily rationalized them. As you can see, moral teachings in schools do not always achieve their desired results *("State of the State, commentary by Lance T. Izumi, September 1999.)*

I believe that moral teachings should come from the family. Children respond to their parents' behavior as role models. My moral code comes partly from my parents, my military service, and later from my college education.

If anything, schools should incorporate ethics in their social science courses. For example, they could show how the consiquences of certain actions by historical figures have affected mankind either positively or negatively, and refer to the ethical principle that was violated. Beyond that, I don't believe religious schools are the way to indoctrinate our students.

Religion is another word for superstition. Our students need facts and principles to get them through life. Teach them ethical behavior and the rest: Technology and language. They will do fine.

Andrew Morgen
La Quinta

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Virtues of Gray

by Marc Sandalow

The legislative year ended in Sacramento with some liberals grumbling over Governor Gray Davis' plodding moderation. If Washington is any guide, the governor may be saving them from themselves.

Though every Californian knows that trends begin in the West, Washington actually experienced a political turnabout several years ago similar to what is now going on in Sacramento.

It was 1993 — when the 49ers were still good and Monica Lewinsky was just a high school student — that Democrats took full charge of Washington. Democrats suddenly were in control of the White House and both houses of Congress.

Within days of his inauguration, President Clinton sought to overturn the ban on gays in the military. Shortly thereafter he proposed an energy tax to the delight of environmentalists. And, he tried to restructure one-seventh of the nation's economy with a health care plan so dense that opponents compared its organizational charts to the New York City subway system.

The rejection was unambiguous. Clinton retreated under heavy fire.

Had Clinton faced voters in 1994, he likely would have gotten an early start on his presidential memoirs in Little Rock.

But it was Congress that became the object of the public's scorn. Democrats suffered their worst drubbing in nearly a century, and for the first time in more than 40 years, Republicans controlled both the House and the Senate.

The scenario got worse for liberals. The Republican victory unleashed the conservative in President Clinton.

Whether he was following the polls or merely freed from the chains of a liberal legislative body, Clinton suddenly began to accept, embrace, and even advocate a long list of traditional GOP measures. Tax cuts, balanced budgets, cuts in social spending, welfare reform, increases in military spending — even curfews and school uniforms — became the core of the Clinton agenda.

And there was nothing the left could do. Long time liberal stalwarts — Californians like Ron Dellums, George Miller, Nancy Pelosi, and Maxine Waters — uttered hardly a peep in protest.

The 1994 election, in the words of Al From, the president of the Democratic Leadership Council, a centrist Washington group which Clinton helped found, hit Democrats like "a two-by-four between the eyes."

Observed Assemblywoman Carole Migden just prior to the 1994 Democratic convention, which she attended as a Clinton delegate: "The left has been silenced. It turned everybody into a pragmatist."

"We are a more mature party," said U.S. Senator Barbara Boxer, who objected to many of his positions but never wavered in her loyalty to President Clinton. "People realize that not everyone is going to agree on every single issue."

When Boxer holds off on modest legislation, it is a sign that Democrats have learned their lesson.

The moderation continues. Even on an issue with such strong public support as gun control, Democrats tempered their approach. Among those Democratic strategists who decided to hold back on the more stringent gun measures was Boxer, who said gun control advocates would need to exhibit some patience. It is fair to say that when Boxer holds off on modest legislation because she believes it may not pass, it is a sign that Democrats have learned their lesson.

Flash to Sacramento.

Davis has had far more success in getting laws passed by a Democratic legislature than Clinton did during the first years of his term. The success is due in part to the state's term limits. When Clinton took office in 1993, he faced a Democratic Congress filled with longtime veterans. Davis faced a novice legislature led by relative newcomers, many of whom were not in politics when he began his own career.

But Davis has also not strayed from his centrist roots. Nearly every Democratic cause — from HMO reform to domestic partners and needle exchange legislation — has been tempered by the governor. The result is modest steps, however, steps that would have been unimaginable during the previous 16 years of Republican rule.

These are compromises that may help the centrist governor as well as the more liberal legislature that must face voters next November.To turn Barry Goldwater's phrase on its head: Moderation in pursuit of legislation is no vice.

Contributing editor Marc Sandalow is the San Francisco Chronicle's *Washington Bureau Chief. Comments may be e-mailed to* edit@statenet.com. *The views expressed do not necessarily reflect those of the* California Journal.

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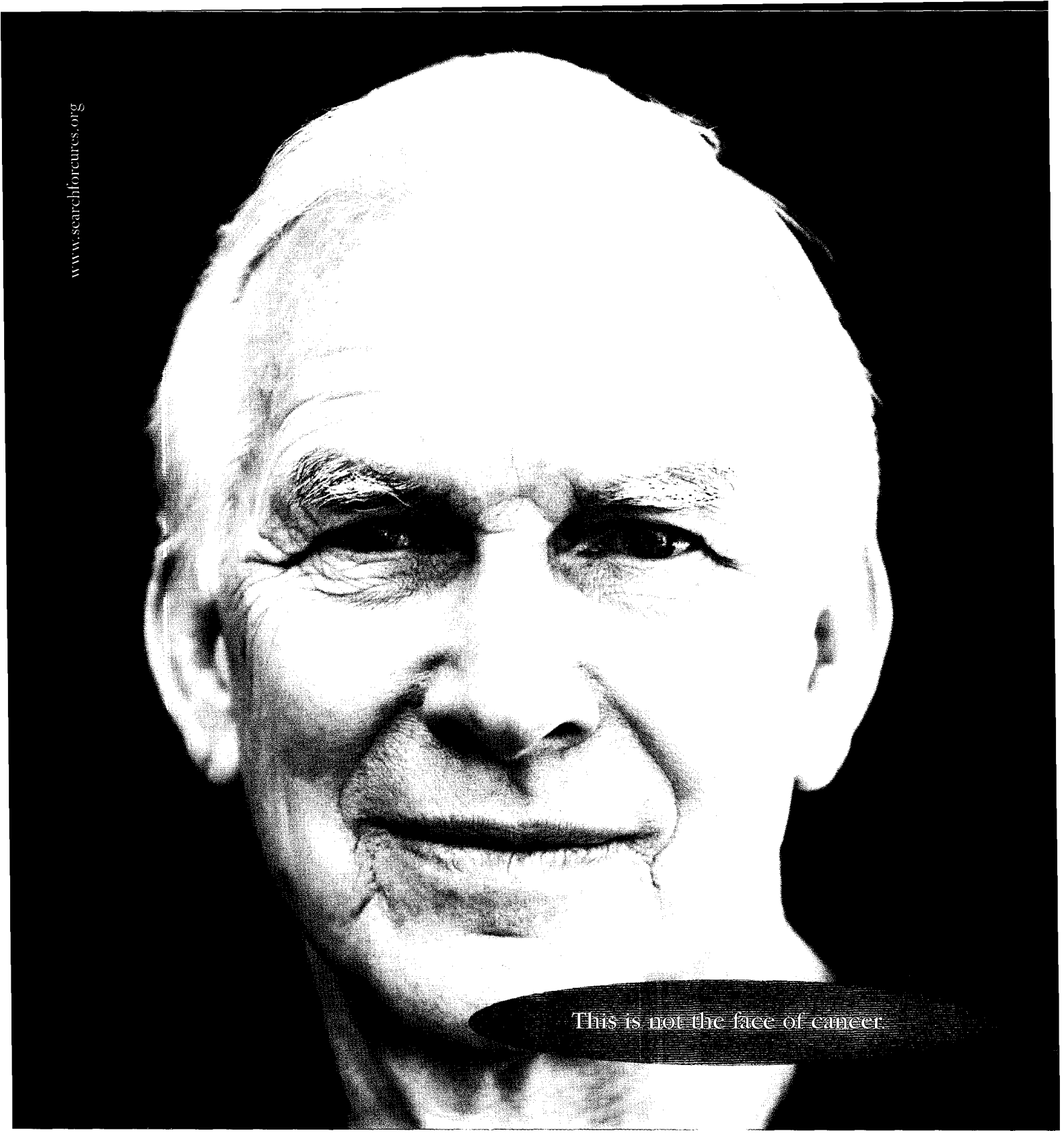

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